

U.S. Defers Sanctions On French Oil Firm

Fearing EU Trade War Over Iran, It Asks Joint Action on Terrorism

Netanyahu Faces Crisis Over Failed Hamas Hit

By Serge Schmemmann
New York Times Service

JERUSALEM — After four days of holiday-enforced silence about charges that Israel had sent agents on a botched mission to kill a Hamas leader in Jordan, Israeli commentators loosed a fierce barrage of accusations against Prime Minister Benjamin Netanyahu on Sunday for a debacle that stood to seriously damage Israel on every political and security front.

The two suspected assassins were in custody in Jordan. The authorities said the two were detained by the Jordanian police after attacking the political leader of Hamas on an Amman street on Sept. 25 with a device that stunned him and injected a poison into him. They have been identified as agents of Mossad, Israel's secret service.

Separately, there were reports that Sheikh Ahmed Yassin, the spiritual leader of Hamas who was released by Israel last week in an apparent bid to appease a furious King Hussein, would return to a triumphant welcome to the Gaza Strip on Monday. There were also reports that Israel was under pressure from Jordan to release more Hamas prisoners in exchange for the two men in custody.

These reports, wrote Yacov Erez in a bitter article in Ma'ariv that was echoed in numerous editorials, commentaries and conversations, demonstrated that the affair was "one of the biggest fiascos ever linked to the Mossad in particular, and to Israel in general."

An Israeli official, who spoke on the condition he not be identified, asserted Sunday that Israel would

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By Thomas W. Lippman
Washington Post Service

WASHINGTON — Facing the clearest test so far of its commitment to punish foreign corporations that invest in Iran, the Clinton administration has decided to hold off on sanctions against a French energy company to avert a trade war with the European Union.

Rather than impose sanctions on Total SA for signing a \$2 billion contract to develop a natural gas field with

Libya eludes the U.S. embargo. Page 6. • Resentment grows against a new "Ugly American." Page 9.

Iran, the administration is seeking an agreement with the EU in which Washington would scrap the threat of sanctions in exchange for increased pressure on Iran to curb terrorism, officials said.

The approach is a shift in emphasis for the administration, which has held out the prospect of sanctions as a powerful deterrent to investment that U.S. officials contend, would give Iran funds for weapons or to promote terrorism.

The administration endorsed the 1996 Iran-Libya Sanctions Act, which mandates punitive trade measures against any company that invests more than \$40 million a year in those nations' energy sectors.

But allies in Europe and elsewhere have rejected any attempt to apply U.S. law to foreign companies. Under the agreement being proposed by the administration, a blanket exemption from sanctions would be granted to companies based in European Union countries if Europe adopts measures aimed at demonstrating its support for other U.S. efforts to contain Iran.

A similar arrangement in April halted temporarily a trade conflict over application to Europe of a U.S. law designed to head off investment in Cuba.

But that six-month truce expires Oct. 15 with no final agreement in place, and the Europeans have declared that failure to waive sanctions on Cuba and Iran by that date will lead them to reopen a formal complaint with the World Trade Organization.

The U.S. proposal, which would in effect exonerate a multinational company that defied U.S. law to make the biggest external investment in Iran since the 1979 revolution, will probably be

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Forest Fires Place Strain On Asian Neighborliness

By Michael Richardson
International Herald Tribune

SINGAPORE — The forest fires raging out of control in Indonesia, which are straddling Malaysia, Singapore, Brunei and parts of Thailand and the Philippines in acrid smoke, have prompted some new forms of cooperation among the members of ASEAN.

Yet beneath a veneer of cooperation, the normally close-knit solidarity of ASEAN, the Association of South East

NEWS ANALYSIS

Asian Nations, is being strained by a transborder pollution issue that analysts say it seems ill-equipped to cope with.

In addition, Indonesia — by far the largest member of the group — is suffering a stinging loss of face because of its failure to halt the damage to the health and economic livelihood of millions of people in the region.

In his latest move to stoke the fire, President Suharto of Indonesia said Sunday that the thick smoke "not only hurts our own community but also people from neighboring countries" and added, "For that, once again, Indonesia deeply apologizes."

Malaysia will send a fresh contingent of fire fighters to Indonesia this week to replace more than 1,000 dispatched last month to battle the flames alongside about 40,000 Indonesian troops, forest rangers and civilian volunteers. Singapore is providing Indonesia with daily satellite photographs and other equipment to help pinpoint the fires and identify

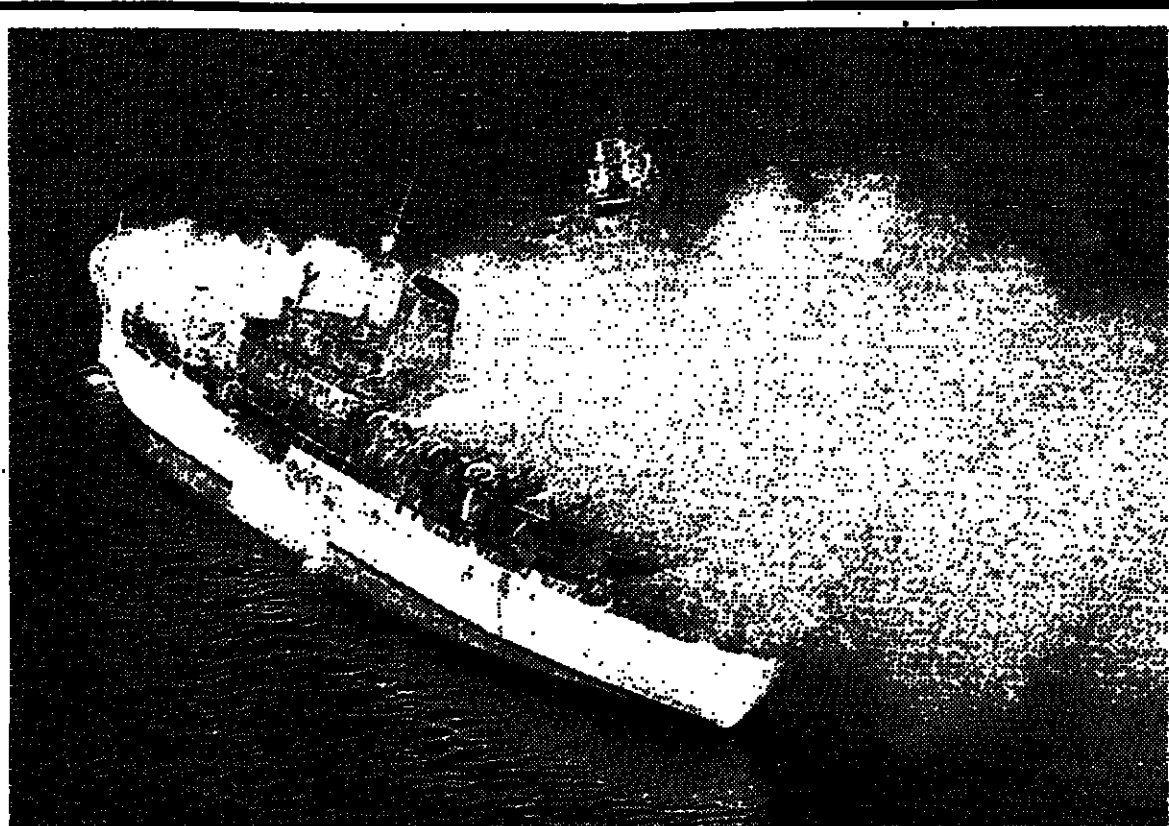
owners of the land being burned. In an address Sunday to the country's armed forces in Jakarta, Mr. Suharto issued instructions to "all levels" of the military to increase their efforts to fight what he called "this fire disaster" occurring in exceptionally dry conditions.

But in unusually open and sharp criticism from countries that normally treat Indonesia with deference, officials, the media and members of the public in places affected by the smoke and resulting smog have made it clear that they regard Indonesia's efforts to curb the fires now raging across an estimated 750,000 hectares (1.88 million acres) of scrub and forest land, mainly on the islands of Sumatra and Borneo, as too little, too late.

"I hope that the current scale of the problem would have brought the message home very, very clearly to the Indonesians," Yeo Cheow Tong, Singapore's health and environment minister, said last week. "They need to control the fires when they are small and not let the number of fires grow," he said, to reach "the stage where it is out of control."

The Malaysian science, technology

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ABANDONED SHIP — Fire fighters were still battling Sunday to control a blaze on a cruise liner that caught fire off the coast of Cyprus, triggering the dramatic rescue, with no reported injuries, of almost 700 people. The Cyprus-registered liner Romanica was being towed to the southern Cyprus port of Limassol.

Would N.Y. Way Keep Berlin Safer?

By Alan Cowell
New York Times Service

BONN — Ever since William Bratton, New York's former police commissioner, visited Germany this to preach a gospel of zero tolerance toward crime, the authorities have been pushing and divisively pondering a question: Will what is called the New York model of combating crime work in Germany's big cities?

For years Germany's inner-city crime figures have been nudging upward. Railroad stations, once the pristine emblems of a prosperous country, have become havens for addicts, beggars, graffiti artists and homeless people. Drugs are peddled openly at Hamburg's main railroad station. In Berlin, violent crime rose 15 percent from 1994 to 1996.

"What I am worried about is the fear of many citizens that there are lawless areas of our cities," said Franz-Josef Knjola, the interior minister of North Rhine-Westphalia, the nation's most populous state.

Klaus Eisenreich, a spokesman for the police union, said: "A lot of people, especially older people, don't dare go out on the streets at certain times. People don't let their children go out in some areas. The threshold of violence is much lower."

It was his union that invited Mr. Bratton for discussions in Berlin and Hamburg in August.

On Friday, Germany marked the seventh anniversary of its reunification. But the event has forfeited its one-time euphoria to a sense that this land of 80 million is faring poorly in a painful

readjustment: No longer is it the prosperous and protected front-line bastion of the Cold War, but a stumbling giant at the heart of Europe, prey to pressures and economic disparities once held in check.

As the German authorities seek to contain the fallout of growing joblessness and of borders open to the much greater economic dislocations of Eastern Europe — both cited as causes of increased crime — they also face the problem of combating lawlessness without awakening memories of the Third Reich or of Communist dictatorship.

In the former East German state of Mecklenburg, for instance, the state authorities are seeking to introduce a new

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AGENDA

Contract Is Awarded For Taiwan Rail Link

BONN (AFP) — Siemens AG, a GEC-Alsthom unit and a group of Taiwan-based companies won an \$11.8 billion contract to build a high-speed rail link between Taipei and Taiwan's port of Kaohsiung, the Berliner Zeitung newspaper said in a report to be published Monday. Siemens and the Belgian unit of the French-British GEC-Alsthom group beat a Japanese competitor.

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The Intermarket Pages 5, 7.
The IHT on-line www.ihnt.com

Russia's Hot Market: Can It Keep It Up?

By Edmund L. Andrews
New York Times Service

MOSCOW — Bill Browder started buying Russian stocks before there was a stock market here. It was 1993, the year President Boris Yeltsin dealt with Communist hard-liners by shelling the Parliament. Industrial output was collapsing; inflation was rampant.

Investing? Russians with money were smuggling billions of dollars out of the country. There were no exchanges, no prospectuses, no earnings reports and almost no earnings.

But there was stock. Under Mr. Yeltsin's privatization program, shares in thousands of former government enterprises were auctioned off or given to

workers and managers. Most people thought these shares were worthless; Mr. Browder thought they were cheap.

As Salomon Brothers' 29-year-old manager for Russian equities, and then later on his own, he went to places like Siberia and Tatarstan to snap up shares in oil companies, mines and utilities.

Today, that looks smart. Western dollar-sign cufflinks and working a few blocks from the Bolshoi Theater, Mr. Browder, now 33, runs what could be the most successful investment fund in the world this year.

Shares in the Hermitage Fund, started up in April 1996 with \$25 million from Republic National Bank in New York, doubled in 1996 and have nearly tripled again since January. With new money

pouring in from wealthy investors and institutions around the world, Mr. Browder now manages \$1.2 billion in Russian stocks.

Russia is hot. Six years after the collapse of the Soviet Union, the land of Lenin and Stalin is gripped by stock-buying fever. Its nascent stock market has shot higher lately than any other, tripling in the past 18 months.

Professional traders now swap shares over an electronic trading system. Foreign investment funds such as Hermitage, often registered in tax havens such as the Cayman Islands, Cyprus or Guernsey, where Hermitage is based, have channeled about \$3 billion into

See RUSSIANS, Page 15

TV Populism Arrives in South Korea

By Mary Jordan
Washington Post Service

SEOUL — Kim Dae Jung stood on a table in the crowded outdoor market and started hawking blowers. "Last chance! Last chance!" the presidential candidate shouted, telling the crowd of shoppers that the silk tops were a bargain at \$6 each and going fast. "You can't buy them tomorrow, so buy them now!"

To the millions of viewers who tuned in to a popular morning television show, Mr. Kim looked like any other working stiff in South Korea, wearing his Los Angeles Dodgers baseball cap and a towel slung around his neck. Nothing regal, nothing presidential, just one of the people.

This is remarkable in a nation where, until recently, presidents were military dictators who did not give a second thought to the man on the street. But the same morning show has gotten other presidential candidates to serve soup as waiters or lug boxes of cabbage in a field — all in the name of appealing to the masses before the Dec. 18 presidential election.

That kind of populism signals a historic shift in South Korean politics. The ruling party, for decades rich and arrogant and guaranteed victory, has lost its lock on national elections. Observers say that is mainly because the public is sick of government leaders bullying and coercing rich companies and individuals to give them money. And free appearances on television have become

Decision On Clinton Outrages Republicans

Attorney General Assailed Over Ruling In Campaign Inquiry

By Brian Knowlton
International Herald Tribune

WASHINGTON — Republican leaders of Congress angrily criticized Attorney General Janet Reno on Sunday for effectively absolving President Bill Clinton of many of the allegations of illegal campaign fund-raising practices against him and his administration.

The complaints were provoked by a letter Ms. Reno sent to Republican legislators on Friday in which she said that only one charge, that Mr. Clinton had made fund-raising telephone calls from the White House, might yet lead her to seek an independent counsel to investigate.

In the letter, she said a preliminary investigation had turned up no evidence that White House coffees for political donors, invitations to major contributors to spend the night at the White House or other such activities were illegal. Nor was there any reason to believe, she said, that Mr. Clinton had offered to take any action in exchange for a donation.

Senator Donald Nickles of Oklahoma, the Republican whip, said that Ms. Reno's rationale for narrowing a preliminary investigation of Mr. Clinton made her sound "like a defense attorney for the Clinton-Gore administration." Other Republican legislators used nearly identical wording.

The criticism of Ms. Reno largely followed partisan lines. But even Senator John McCain, a moderate Republican who is leading an effort for campaign finance reform, expressed exasperation with Ms. Reno.

"I have always voiced my respect and admiration for the attorney general of the United States," he said Sunday on CBS, "but now I think we're at the point where her credibility is in real, serious danger."

Speaking of her decision to narrow the investigation of Mr. Clinton, Mr. McCain said, "I've never seen anything like it, and I'm not sure longtime Washington observers have since the firing of Archibald Cox." In October 1973, President Richard Nixon ordered the firing of Mr. Cox, who had been named an independent counsel to investigate the Watergate affair.

But in a twist certain to further roll the waters, the White House over the weekend began turning over to congressional investigators more than three dozen videotapes of White House coffees at which Mr. Clinton met with major contributors in 1995 and 1996.

The tapes might clarify whether the events went beyond friendly chatter to include possibly illegal fund-raising practices.

Some of the tapes are expected to be shown Tuesday when Senate hearings into the campaign finance imbroglio resume under the gavel of Senator Fred Thompson of Tennessee. They are likely to fire emotions in a setting that some Republicans have said has been too lackluster.

Senator Arlen Specter of Pennsylvania said Sunday that the White House might have "crossed the line of obstruction of justice," and referred to Mr. Clinton as "an accessory."

Representative Dan Burton, Republican of Indiana and chairman of the House Government Reform and Oversight Committee, said his panel would demand complete logs of the tapes.

Democratic spokesmen insisted Sunday that the tapes included no dramatic revelations.

Jack Quinn, a former White House counsel and unofficial spokesman for Vice President Al Gore, said Sunday that the tapes consisted of "little snippets that photographers occasionally take at the beginning of events like the coffees."

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Newstand Prices			
Andorra.....	10.00 FF	Lebanon.....	11.3,000
Arillas.....	12.50 FF	Morocco.....	16 Dh
Cameroon.....	1.800 CFA	Qatar.....	10.00 QR
Egypt.....	5.50 FF	Réunion.....	12.50 FF
France.....	10.00 FF	Saudi Arabia.....	10 SR
Gabon.....	1.100 CFA	Senegal.....	1.100 CFA
Italy.....	2.800 Lire	Spain.....	225 Ptas
Ivory Coast.....	1.250 CFA	Turkey.....	1.250 Dr
Jordan.....	1.250 JD	U.A.E.....	10.00 Dh
Kuwait.....	700 Fils	U.S. M. (Est.).....	\$1.20



A Korean presidential candidate, Kim Jong Pil, laboring on a TV show.

The Sunset Years / A Silent Struggle

Disease Begins to Silence The Great Communicator

By Lawrence K. Altman
New York Times Service

NEW YORK — In February 1996, George Shultz went to visit his old boss, Ronald Reagan, at the former president's home in the Bel Air neighborhood of Los Angeles. He drank tea with Mr. Reagan and his wife, Nancy, and talked a little politics. In all, he stayed perhaps an hour.

That night Mr. Shultz, the former secretary of state, received a call from Mrs. Reagan, who told him that "something poignant happened today that you would like to know about."

At one point in the visit, Mr. Reagan had left the room briefly with a nurse. When they came back, Mrs. Reagan went on, "he said to the nurse: 'Who is that man sitting with Nancy on the couch? I know him. He is a very famous man.'"

It has been almost three years since Mr. Reagan disclosed that he had the memory-destroying neurological illness known as Alzheimer's disease. And if, at the age of 86, the old movie actor still looks the image of vigorous good health, the truth is that the man behind the firm handshake and barely gray hair is steadily, surely ebbing away.

Mr. Reagan still plays golf, works out lightly in his basement and walks amid eucalyptus and day lilies in parks close to home. He puts on a suit and is driven to his office in nearby Century City. As he rides the elevators or walks the corridors, he remains the perfect gentleman, sweeping a hand through the air to let a woman pass by.

But the "Great Communicator" of American politics is mostly silent now. When he speaks, it is usually in clipped phrases—rarely more than a sentence here or there.

He appears to recognize few people other than his wife, and while he gamely returns the nods and salutes of passers-by, on most days Mr. Reagan does not seem to know why they are hailing him—that for eight years he was the most powerful man in the world.

Mr. Reagan's illness appears to be in the middle stages; as it has advanced, he has slipped ever further from public view.

Nearly 70 when he took office in January 1981, Mr. Reagan became the oldest president, and throughout his two terms, a series of well-publicized memory lapses and a casual, exclusive style had provoked uncertainty—even ridicule—about his mental competence. Just when the Alzheimer's began can never be known. But while the line between mere forgetfulness and the beginning of Alzheimer's can be fuzzy, a matter of gradation, Mr. Reagan's four main White House doctors say they saw no evidence that he had crossed it as president.

Mr. Reagan "absolutely" did not "show any signs of dementia or Alzheimer's," said John Hutton, who cared for him from 1984 until the end of the Reagan presidency and

remains a close family friend. Extensive mental-status tests did not indicate evidence of Alzheimer's until 1993, more than four years after Mr. Reagan left office, Dr. Hutton said.

Mr. Reagan is believed to be the first president or former president to have Alzheimer's. But the disease—a form of dementia, or senility, that strikes with increasing frequency as people advance beyond their 60s—is a growing public health problem in an aging society.

While Alzheimer's course varies, it is often slow, measured in years; as it advances, abnormal deposits of protein destroy the nerve cells in the brain. The two approved drugs can do no more than stave off decline for a few months, and only for some people. Ultimately, Alzheimer's is fatal, though many people with the disease die of other causes.

The first significant hints that Mr. Reagan was crossing that fuzzy line into dementia, his doctors said, did not come until September 1992, three years and eight months after he left office. From that point on, they described a gradual descent into bewilderment and forgetfulness that will be achingly familiar to families and friends of the estimated 4 million Americans who share his fate.

On Sept. 13, 1992, Mr. Reagan made a campaign speech for President George Bush in Yorba Linda, California.

Lawrence Mohr, one of the Mr. Reagan's White House doctors, was seeing him for the first time in six months, and afterward, the doctor and the former president talked. As usual, Mr. Reagan asked about Dr. Mohr's family. But Mr. Reagan "was distant," he said, and seemed "preoccupied, which was unusual, because Ronald Reagan is a person who was engaged when he would talk to you."

AT THE END of the conversation, the doctor continued, "Mr. Reagan asked me, 'What am I supposed to do next?' There was a blank look on his face." Dr. Mohr said he guided Mr. Reagan away and wondered "what had caused the change and what was going to happen."

Now, looking back, Dr. Mohr regards that change as the first sure warning of Mr. Reagan's Alzheimer's. It was about a year later, in Mr. Reagan's annual check-up at the Mayo Clinic, that formal mental-status tests for the first time raised questions about his recent memory skills. Dr. Hutton said. He said Mrs. Reagan would not let him disclose further details of the tests, and added that "someday they can be documented" by historians.

But those results led doctors to begin a more intensive regimen of mental testing: The medical statement released along with Mr. Reagan's Alzheimer's disclosure said the disease had been diagnosed through repeated observations and testing for a year.

The Alzheimer's almost became evident in an embarrassing way in February 1994 when Mr. Reagan spoke to 2,500 people celebrating



While some critics suspect Ronald Reagan's glaring mental mistakes in the 1980s were a sign he had Alzheimer's as president, his White House doctors say his competence in office was never in doubt.

his 83rd birthday in Washington. It is believed to have been his last public speech and last visit to the capital.

Before the dinner, Mr. Reagan chatted normally with former Prime Minister Margaret Thatcher of Britain and had his picture taken with several other people. But he had difficulty recognizing one of his former Secret Service agents, Dr. Hutton said.

This left Dr. Hutton and others worried that the speech might not go well—that Mr. Reagan "might lose his place in the notes and that kind of thing," said Caspar Weinberger, who was Mr. Reagan's secretary of defense.

A videotape of the event shows that after Mrs. Thatcher finished her introduction, Mr. Reagan hesitated for several seconds as he began speaking.

"I was holding my breath, wondering how he would get started," Dr. Hutton said, "when suddenly something switched on, his voice resounded, he paused at the right places and he was his old self."

But after the dinner, Dr. Hutton said, when Mr. Reagan returned to his hotel suite, "He hesitated just for a moment and looked to Mrs. Reagan and said, 'Well, I have got to wait a minute. I am not quite sure where I am.'"

On Nov. 5, in a handwritten letter, Mr. Reagan told the public that he had entered the early stages of Alzheimer's disease.

He wrote, "I now begin the journey that will lead me into the sunset of my life."

"When you see him and talk to him, you hardly notice any change," Mr. Shultz said. "And his physical behavior—he shakes hands, he smiles and his eyes sparkle. It's just that you don't wind up in any meaningful conversation. But to the casual observer—they don't detect anything happening. It's remarkable."

Still, according to Dr. Hutton, the disease has advanced since it was diagnosed. Disorientation to time is common in Alzheimer's patients, and Mr. Reagan has occasionally got up at 2 A.M. to look for his breakfast, said a longtime friend, Walter Annenberg. Drug therapy was tried but without success.

In the gathering silence of Mr. Reagan's life—as in his glory days—Mrs. Reagan remains voraciously protective of the man she has long called her "roommate." She does not speak publicly about him, and declined to be interviewed for this article or to let a reporter visit with the former president. Indeed, with rare exception, she talks about his condition only with friends who themselves are caring for someone with Alzheimer's.

Alzheimer's is often said to involve a family of victims: As it inexorably shuts off communication, the disease breeds loneliness, frustration and confusion not just for the patient but for the spouse, relatives and friends.

Reagan Was Fit in Office

By Lawrence K. Altman
New York Times Service

NEW YORK — When Ronald Reagan disclosed in November 1994 that he had Alzheimer's disease, many people could not help suspecting that the illness had begun to rob him of memory while he was in the White House.

Throughout his years in Washington, Mr. Reagan had been portrayed by many pundits and political opponents as absent-minded, inattentive, incurious and even lazy.

His presidency was marked by a succession of very public mental stumbles—the most notably his dismal performance in the first debate of the 1984 campaign, and his confused and forgetful accounting of his role in the Iran-Contra affair.

But his four main White House doctors say they never detected any evidence that his forgetfulness was more than just that. His mental competence in office, they said in a series of interviews, was never in doubt. Indeed, they said, tests of his mental status did not begin to show evidence of the disease until the summer of 1993, more than four years after he left the White House.

"There was never anything that would raise a question about his ability to function as president," said Lawrence Mohr, one of Mr. Reagan's physicians in his second term.

John Hutton, the chief White House physician during Mr. Reagan's last two years in office and a close family friend, said he was speaking out with the permission of the former president's wife, Nancy, chiefly to rebut published statements questioning Mr. Reagan's mental status in office. The doctors said they had taken the unusual step of publicly discussing their former patient's medical history because neither they nor Mr. Reagan had covered up any illness, and because they did not want history to see them as having done so.

"No question, there were occasional short-term memory lapses," Dr. Mohr said. "Were they frequent? No. Were they every day? No."

Alzheimer's begins to show itself by causing relatively subtle changes in memory, judgment and reasoning. People with the disease can then go on to have difficulty remembering what they said or read a few minutes earlier; they forget the names of relatives and friends. Later, they may have difficulty completing simple tasks.

So in looking for early signs of mental impairment, doctors generally ask about and observe the way a patient transacts the routine business of the day. What makes this early diagnosis so hard is that these are the same things people tend to forget as they age.

While certain tests can strongly indicate Alzheimer's, there are no specific blood or other tests to confirm the diagnosis while the patient is alive. Still, his occasional lapses notwithstanding, the doctors said they had seen no significant changes in Mr. Reagan's mental competence in the White House. From his election in 1980 until he retired in January 1989, they said, the president was always well clear of that fuzzy line where forgetting becomes Alzheimer's.

TRAVEL UPDATE

politan Museum of Art in New York. The inauguration was led by Culture Minister Walter Veltroni.

Gas Odor Shuts Down O'Hare

CHICAGO (AP)—All departing flights from Chicago's O'Hare and Midway airports were suspended for almost an hour Saturday when a traffic control tower was evacuated because of a possible gas leak.

Officials began smelling gas at the Tracon tower in the Chicago suburb of Elgin shortly before 5:30 P.M., said a spokeswoman for the Chicago City Aviation Department. Tracon, which stands for Terminal Radar Approach Control, directs traffic to and from Chicago while the flights are not controlled by airport towers. The building was evacuated for an hour but the source of the smell was not definitively found.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Australia, Barbados, Egypt, Syria.
TUESDAY: Bhutan.
WEDNESDAY: Peru.
THURSDAY: Azerbaijan, Ecuador, Uganda.
FRIDAY: Cuba, Israel, Japan, Kenya, Macau, Taiwan.
SATURDAY: Bhutan, Israel, Macedonia, Netherlands Antilles.
Sources: J.P. Morgan, Bloomberg.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Europe	Today	Low	High	Tomorrow	Low	High
Algeria	20/21	18/19	21/22	20/21	18/19	21/22
Austria	19/20	17/18	20/21	19/20	17/18	20/21
Belgium	18/19	16/17	19/20	18/19	16/17	19/20
Denmark	17/18	15/16	18/19	17/18	15/16	18/19
France	18/19	16/17	19/20	18/19	16/17	19/20
Germany	19/20	17/18	20/21	19/20	17/18	20/21
Greece	20/21	18/19	21/22	20/21	18/19	21/22
Ireland	17/18	15/16	18/19	17/18	15/16	18/19
Italy	18/19	16/17	19/20	18/19	16/17	19/20
Japan	20/21	18/19	21/22	20/21	18/19	21/22
Netherlands	19/20	17/18	20/21	19/20	17/18	20/21
Norway	17/18	15/16	18/19	17/18	15/16	18/19
Poland	18/19	16/17	19/20	18/19	16/17	19/20
Portugal	19/20	17/18	20/21	19/20	17/18	20/21
Spain	20/21	18/19	21/22	20/21	18/19	21/22
Sweden	17/18	15/16	18/19	17/18	15/16	18/19
Switzerland	18/19	16/17	19/20	18/19	16/17	19/20
Turkey	20/21	18/19	21/22	20/21	18/19	21/22
U.K.	18/19	16/17	19/20	18/19	16/17	19/20
U.S.	19/20	17/18	20/21	19/20	17/18	20/21



North America: Sunny and unseasonably warm in the Northeast turning cooler in London Tuesday through Thursday. Tuesday through Thursday, while Scotland will be west Tuesday, but windy with wind-driven rain, with soaking rain in the Shetlands and thunderstorms Wednesday and Thursday. Thunderstorms will fire up in the Rockies, while the Southwest turns cooler with showers likely.

Europe: Windy with showers and rain in the Northeast turning cooler in London Tuesday through Thursday. Tuesday through Thursday, while Scotland will be west Tuesday, but windy with wind-driven rain, with soaking rain in the Shetlands and thunderstorms Wednesday and Thursday. Thunderstorms will fire up in the Rockies, while the Southwest turns cooler with showers likely.

Asia: Sunny and cool in Beijing Tuesday and Wednesday, but milder Thursday. Some showers Tuesday in Seoul and Tokyo; cool with some sun through Thursday. Sunny and nice in Shanghai, but warm and humid with showers in Hong Kong. Steady rain will drench south-central China.

Legend: a-m, p-m, partly cloudy, c, cloudy, sh, showers, t, thunderstorms, r, rain, s, snow, h, hail, w, weather.

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Asia	Today	Low	High	Tomorrow	Low	High
Algeria	20/21	18/19	21/22	20/21	18/19	21/22
Austria	19/20	17/18	20/21	19/20	17/18	20/21
Belgium	18/19	16/17	19/20	18/19	16/17	19/20
Denmark	17/18	15/16	18/19	17/18	15/16	18/19
France	18/19	16/17	19/20	18/19	16/17	19/20
Germany	19/20	17/18	20/21	19/20	17/18	20/21
Greece	20/21	18/19	21/22	20/21	18/19	21/22
Ireland	17/18	15/16	18/19	17/18	15/16	18/19
Italy	18/19	16/17	19/20	18/19	16/17	19/20
Japan	20/21	18/19	21/22	20/21	18/19	21/22
Netherlands	19/20	17/18	20/21	19/20	17/18	20/21
Norway	17/18	15/16	18/19	17/18	15/16	18/19
Poland	18/19	16/17	19/20	18/19	16/17	19/20
Portugal	19/20	17/18	20/21	19/20	17/18	20/21
Spain	20/21	18/19	21/22	20/21	18/19	21/22
Sweden	17/18	15/16	18/19	17/18	15/16	18/19
Switzerland	18/19	16/17	19/20	18/19	16/17	19/20
Turkey	20/21	18/19	21/22	20/21	18/19	21/22
U.K.	18/19	16/17	19/20	18/19	16/17	19/20
U.S.	19/20	17/18	20/21	19/20	17/18	20/21

North America: Sunny and unseasonably warm in the Northeast turning cooler in London Tuesday through Thursday. Tuesday through Thursday, while Scotland will be west Tuesday, but windy with wind-driven rain, with soaking rain in the Shetlands and thunderstorms Wednesday and Thursday. Thunderstorms will fire up in the Rockies, while the Southwest turns cooler with showers likely.

Europe: Windy with showers and rain in the Northeast turning cooler in London Tuesday through Thursday. Tuesday through Thursday, while Scotland will be west Tuesday, but windy with wind-driven rain, with soaking rain in the Shetlands and thunderstorms Wednesday and Thursday. Thunderstorms will fire up in the Rockies, while the Southwest turns cooler with showers likely.

Asia: Sunny and cool in Beijing Tuesday and Wednesday, but milder Thursday. Some showers Tuesday in Seoul and Tokyo; cool with some sun through Thursday. Sunny and nice in Shanghai, but warm and humid with showers in Hong Kong. Steady rain will drench south-central China.

Legend: a-m, p-m, partly cloudy, c, cloudy, sh, showers, t, thunderstorms, r, rain, s, snow, h, hail, w, weather.

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THE AMERICAS



During the gathering, men often collected in small groups to pray.



Rally jams area between the Washington Monument and Capitol.

Christian Men Fill the D.C. Mall and Pray

By Gabriel Escobar
and Caryle Murphy
Washington Post Service

WASHINGTON — Hundreds of thousands of Christian men produced one of the biggest religious gatherings in U.S. history, converting Washington's most important open space, the Mall, into a symbolic revivalist tent.

The six-hour "Sacred Assembly of Men," called by the group known as the Promise Keepers, was a sea of humanity Saturday, notable not only because of its size and purpose but also because it was made up almost entirely of men.

The debate over what the gathering represented — what it may augur for Christians and non-Christians, even for the nation as a whole — will probably be fueled by the sheer size of the crowd, which was believed to number about half a million.

But what was most evident was not the larger arguments to come but the event itself, a powerful evocation of a fervor that is hardly unique in the evangelical community but is seldom displayed so openly, in so central a place and by so many.

Scenes of hundreds of thousands of men obeying the calls of pastors, hoisting Bibles, kneeling or lying on the ground, singing to the Lord and embracing, confessing and occasionally weeping, all framed by the Capitol and the Washington Monument, were often profoundly moving.

In the principal address of the rally, the group's founder and chief executive, Bill McCartney, a former football coach at the University of Colorado, laid out, often in stark terms, what was expected of the men. The organization's aim to inspire "a vibrant church," Mr. McCartney said, requires that each man answer to a pastor and that each church answer to other churches.

"Nobody can go home without the game plan," Mr. McCartney told the crowd of "guys," as the former football coach tends to call men.

"Every man connected to a

missive role. Promise Keepers denies any link to the earlier movement, although Mr. McCartney has acknowledged being "discipled" in the 1970s by one of the leaders of a group known as Muscular Christianity.

The rally was a revival, solemn at times but also with the trappings of arena gatherings, replete with renditions of the "wave" group cheer and beach balls. Men unabashedly wore their faith on their sleeves, on T-shirts and on baseball caps.

What some might call "muscular Christianity" seemed to be manifested physically along the expanse of

702,000 people had passed through its turnstiles by 9 P.M. On a typical Saturday, ridership for a full day is about 200,000.

[The Million Man March that was called by the Nation of Islam leader, Louis Farrakhan, in 1995 ended with a dispute over the crowd count. The U.S. Park Police estimated it at 400,000, but the Nation of Islam said the march drew more than 800,000.]

Saturday's rally may have been the last of the large public gatherings to be called by Promise Keepers, a nondenominational ministry that has experienced remarkable growth since it was founded in 1990.

Organizers said the group would no longer charge admission at its smaller rallies, abandoning its principal source of fund-raising, and would turn instead to contributions from individuals and "Christian corporations."

One sign of this shift came at the end of the rally, when participants were asked to make donations — in cash or with credit cards — by using envelopes included in Bibles given to the crowd.

To critics of Promise Keepers, including women's organizations, some religious denominations and others who held their own small protests yesterday, the shift in strategy was interpreted as evidence that the men's group had political aims and would now rely on donations from rightist groups to hold its meetings.

Overshadowing most controversy was the event itself, showcasing a fervor that is seldom displayed so openly, in so central a place and by so many.

church, every church connected to each other," he said. "We propose that every man returns home and submits to the authority of a local shepherd."

He added: "You have to say to your pastor, 'How high, how far and how much?'"

The language that Mr. McCartney uses, critics say, echoes a controversial religious movement that gained prominence in the 1970s, then went underground because of the backlash it created.

Called "shepherding/discipleship," the movement set up a strict hierarchy and gave women a sub-

the Mall. The effect was palpable.

"Something like this, men can feel," said Steve Galloway, 40, a rancher from Gladewater, Texas, near Dallas, who had driven to Washington with five other men from Calvary Baptist Church. "It is a taste of Heaven."

[Stung by past controversy over crowd counts, public officials refused to estimate how many men attended the rally, The Associated Press reported.]

[Predictions ranged from 500,000 to a million or more. About the only numbers came from the Metro transit system, which reported that

Deciding Affirmative Action: Watch the Court's Swing Vote

By Joan Biskupic
Washington Post Service

WASHINGTON — The Supreme Court opens its new term Monday with a docket highlighted by one of the most divisive questions in America today: whether affirmative action has gone too far.

In a case that began when a school board laid off a white teacher to save a black teacher's job, the court could set an important standard for deciding when racial preferences should play a role in the nation's workplace.

For all its potential impact, though, the dispute in Piscataway, New Jersey, will probably be decided by the views of just one justice, Sandra Day O'Connor.

The case and many others this term — from sexual harassment to immigration and property rights — play to individual justices' interests and personal conflicts. And because of the emerging dynamic among these nine justices, how these issues are decided could depend on which of the court's factions — on the left and on the right — gets the narrow edge.

The nine justices who will ascend the bench Monday have a rare group tenure for the modern court.

In the last decade, with retirements and change, no nine justices were together for more than two terms.

Now, alliances have formed and the ideological divide between the justices has deepened.

Key justices, either because they hold the crucial fifth vote or possess the dominant voice in a particularly knotty area, could pull more weight and be especially critical in the new term.

The dispute in Piscataway presents such a scenario, legal experts say. Faced with the need to lay off staff but mindful of racial diversity, the school board there chose to keep a black teacher, Debra Williams, over an equally qualified white teacher, Sharon Taxman. Ms. Taxman sued for reverse discrimination and won in lower courts.

Now, it is Justice O'Connor, the court's first female jurist and the swing vote on race policies, who likely will decide whether the board's action was legal and if racial diversity alone is a valid reason for an employer to choose one person over another.

The case comes to the court at a time when race is high on the national agenda, with efforts underway in several states to ban racial preferences.

The court will soon announce whether it will hear another important affirmative action dispute this term, a constitutional challenge to California's Proposition 209 law that bans preferences based on race in government hiring, contracting and college admissions.

Justice O'Connor is an intriguing jurist to be at the center of an emotionally charged discrimination case like the one in Piscataway. Although she has a conservative approach, believing government should have a limited role in solving society's problems, she herself has felt the sting of bias. She graduated from Stanford Law School in 1952 only to be offered a position as a secretary when she applied to a prestigious firm.

"I think it's fair to say that one detects an ambivalence in how she has written about race, and the ambivalence is like that in society at-large,"

said Christopher Edley Jr., a Harvard University law professor.

In 1986, Justice O'Connor was in the five-justice majority ruling against a school board that laid off white teachers to preserve the jobs of blacks with less seniority.

The layoff decision had been made without any evidence of previous discrimination against black teachers. Justice O'Connor wrote separately to say such affirmative action might have been permitted had the board shown it was trying to make up for past discrimination. And, indeed, the next year she voted to uphold a voluntary affirmative action plan that allowed a woman in a county transportation department to be promoted over a man who scored higher during qualifying tests because the county had a wide disparity in the numbers of men and women in its top ranks.

The Piscataway case, which involves two equally credentialed teachers, will test whether a school board has no evidence of past bias can rely on the goal of diversity in using race as the deciding factor in deciding who gets the job.

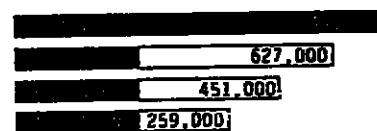
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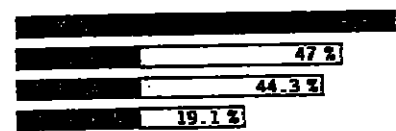


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United Saudi Commercial Bank are pleased to announce its recent merger with Saudi Cairo Bank. We wish to inform our international business partners that all existing contractual arrangements, obligations and documentation will remain operative, and that the new bank accepts full liability as the legal successor of United Saudi Commercial Bank. Shareholders have voted to call the new bank United Saudi Bank. With a paid-up capital of SR2,450,000,000 (US\$658,333,333), United Saudi Bank will become the 3rd largest bank in the Kingdom of Saudi Arabia, servicing over 100,000 customers, through 65 branches and 115 ATMs. The merger will result in greater focus on customer needs, added financial strength, enhanced capabilities, opportunities for network expansion, and a greater capacity to attract local and international business. We look forward to enjoying a long and prosperous future together.

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ASIA/PACIFIC

Global Warming Talks Put Tokyo in a Bind

Pact on Emissions May Prove Elusive

By Nicholas D. Kristof
New York Times Service

TOKYO — When Japan was chosen as the site of this year's conference on climate change, it relished the chance to play host to a landmark meeting to help save the planet from global warming.

The meeting, to be held in Kyoto from Dec. 1 to 10, was supposed to demonstrate Tokyo's leadership and show that Japan was ready to achieve its dream of a permanent seat on the United Nations Security Council.

But now, some officials worry that the meeting will turn out to be not a triumph but a fiasco.

"I'm very worried about it," said Kazuo Aichi, a former cabinet minister who is now a pro-environment member of Parliament. "This will be a test not only of the environment but also of Japanese diplomacy."

The problem is that the Kyoto conference was intended to be a historic convention that would commit countries to cuts in emissions of heat-trapping greenhouse gases like carbon dioxide, which mainstream scientists believe are linked to global warming. But now that the time for sacrifice is approaching, some countries, particularly the United States, are losing their enthusiasm.

There is even some possibility that Japan will preside over a conference that simply falls apart.

"There is that possibility, but we would like to make utmost efforts to avoid the chance that we have no agreement at all," said a senior Japanese government official involved in preparations for the meeting.

Prime Minister Ryutaro Hashimoto is caught in a double crossfire on the issue.

One is the international battle over whether to require sharp cuts in emissions and if so, to whom to apply them. Any agreement that mandates sharp restrictions or places them only on industrialized countries may be torpedoed by Washington, while one that places a significant burden on poor countries may not get their backing.

The other crossfire is taking place among Japanese bureaucrats, who are telling the country's leaders what positions to adopt. The environmental agency is insisting on steep cuts in emissions, while the Ministry of International Trade and Industry says that is preposterous.

Mr. Hashimoto reportedly seems to

be leaning toward a compromise that would require industrialized countries to cut their carbon dioxide emissions by the year 2010 to 5 percent below their 1990 level.

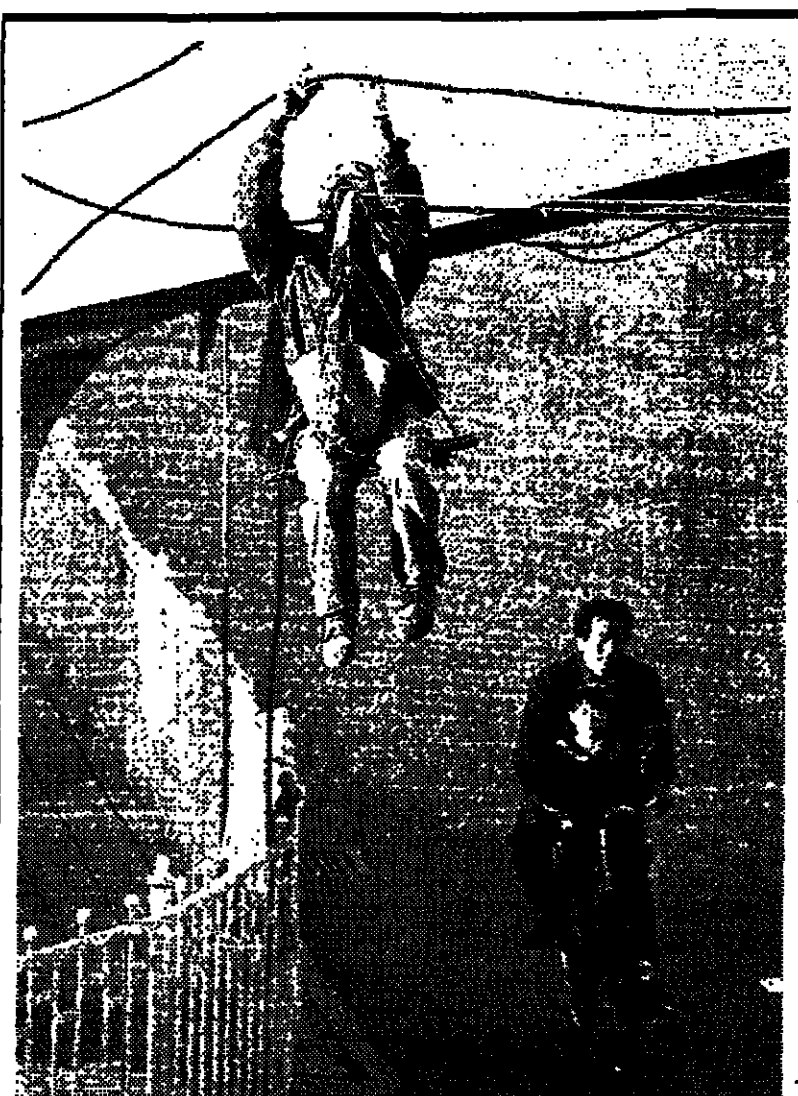
That is much weaker than the European proposal — for a 15 percent cut below the 1990 level — but it may still be tougher than the United States is willing to accept.

President Bill Clinton is convening a major conference on the issue Monday and is expected to decide on the U.S. position later this month. Some Japanese are demanding that their government do more to influence the United States now.

"The Kyoto conference will not succeed if Japan simply watches America's reaction and follows it," the Asahi Shimbun, probably Japan's most influential newspaper, declared in an editorial. "The government should change its thinking so that it can set a higher target and lead America."

Still, Mr. Hashimoto knows that the final treaty needs America's backing to be effective. The United States produces 22 percent of the world's carbon dioxide emissions, far more than any other country.

"Without the United States, we cannot make it," the senior official warned. "The U.S. is vital to this negotiation, and we have to find a solution that is acceptable to it as well."



HIGH-WIRE REPAIR ACT — A workman fixing electric cables in Beijing on Sunday as a cyclist with a child rode in the street below.

India Gives Up On Satellite

Compiled by Our Staff From Dispatches

NEW DELHI — The government gave up control of a communications satellite Sunday after an outage in its power supply caused it to lose its directional lock to Earth, the United News of India news agency reported.

A power failure Friday disrupted trading at the National Stock Exchange in Bombay and caused problems for India's state-run television and the Department of Telecommunications. Telecommunication services to some parts of India were cut off.

The government said it abandoned the satellite Sunday after scientists failed to correct the problem.

"We have lost the satellite," S. Krishnamurthy, a spokesman for India's space agency, the Space Research Organization, said of INSAT-2D, the country's most advanced communications satellite.

All 24 transponders, used for communication and broadcast services on the Indian National Satellite system, were turned off Wednesday night after the satellite suffered a power failure.

The decision to abandon the satellite was made "after it became clear that further recovery was not possible," the Indian space agency's director, K. Narayanan, said.

Scientists at the space agency said communications services were being transferred to three satellites in the INSAT-2 series.

The INSAT-2D was launched in June by a French Ariane-4 rocket. The satellite cost India 4.3 billion rupees (\$119.5 million). (AP, Reuters)

BRIEFLY

Taleban Retreats From Key Airport

KABUL — The Taleban militia has confirmed the loss of several important areas around the northern Afghan city of Mazar-i-Sharif.

The opposition fighting the Islamic movement said Sunday that it had taken an airport about 15 kilometers (10 miles) west of the city. A Taleban spokesman said that its forces had left the airport.

"We evacuated our forces from Mazar airport last night after an opposition convoy entered the city yesterday from the west direction," a Taleban spokesman said Sunday afternoon.

He said the militia was consolidating its positions 40 kilometers to the east of Mazar. (Reuters)

Ramos Addresses Huge Manila Rally

MANILA — President Fidel Ramos, apparently referring to the influential Roman Catholic Church, urged Filipinos on Sunday not to allow interest groups to set the nation's political agenda.

Mr. Ramos said Filipinos "cannot allow interest groups, no matter how powerful, no matter how well-intentioned, to set the nation's civil agenda."

Mr. Ramos, the country's first Protestant leader, was speaking at a huge prayer rally organized by Protestant groups that support him. The police estimated that 700,000 people attended it. (Reuters)

Australia Changes Key Cabinet Jobs

CANBERRA — Prime Minister John Howard announced major changes to his cabinet Sunday after a damaging scandal on travel allowances forced three ministers from office.

Amanda Vanstone was replaced as employment and education minister by her former deputy, David Kemp. Employment is expected to be a key issue in the next election, expected late next year.

In other cabinet changes, the workplace relations minister, Peter Reith, was given responsibility for waterfront reform, and Mark Vaile replaced John Sharp as transport minister. (Reuters)

Media Hail Kim Jong Il's 'Mandate of Heaven'

Compiled by Our Staff From Dispatches

SEOUL — Apricot and pear trees are blooming in autumn at factory sites in North Korea, and fishermen have caught a rare, albino sea cucumber.

That can mean only one thing, according to Pyongyang's state media: Kim Jong Il has the mandate of heaven to succeed his father as undisputed leader of the "Hermit Kingdom."

Mr. Kim has been credited with running day-to-day internal affairs since Kim Il Sung died of a heart attack in 1994.

But the man known as "Dear Leader" has yet to be formally confirmed in two key posts held by his father — general secretary of the ruling Workers' Party and state president.

A North Korean diplomat in Beijing said Mr. Kim would be formally el-

evated to general secretary on Thursday. The long-awaited inauguration of the troubled Stalinist state's de facto ruler would complete the first dynastic succession in Communist history.

The party constitution requires a plenary session of the party's 173-member Central Committee members to elect a new general secretary.

But analysts in Seoul speculated that Mr. Kim's inauguration could be endorsed through other mechanisms, although they remained divided over whether Mr. Kim might also fill the second top post, that of state president.

Trees may be blooming at the factory sites, but far too little food is growing after a two-year famine, which humanitarian agencies estimate has left 80,000 children malnourished. Published reports last week said up to a million

Koreans had starved to death. The hal-lelujah chorus for Mr. Kim began on Sept. 21, when officials in South Pyongan province, surrounding the capital, Pyongyang, unanimously endorsed him as general secretary.

The following day, the army weighed in, saying Mr. Kim inspired soldiers with "the spirit of human bombs." The backing of North Korea's 1.14 million-strong army, which Mr. Kim heads as supreme commander, was decisive.

Mystery shrouds the 55-year-old Mr. Kim.

The Korean Central News Agency has issued a series of portraits describing him as a wunderkind who writes operas, pilots jet planes and helped his father plan battles as a 10-year-old during the Korean War.

To the outside world, Mr. Kim has a

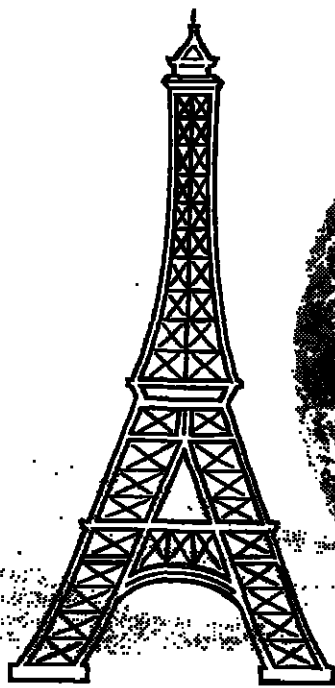
reputation as an unstable playboy who ordered several violent attacks on South Korean targets. (Reuters, AFP)

Turn Newspaper Stalls Survey

South Korea on Sunday postponed the departure of a nuclear reactor survey team for North Korea after the North angrily demanded an apology for defaming its leader in an incident over a discarded newspaper, Agence France-Presse reported from Seoul.

The team had been scheduled to leave Monday for the North's port of Sinpo.

Work on the reactor site stopped on Sept. 30, when a copy of the North's official Rodong Sinmun newspaper containing a picture of Kim Jong Il was found torn up in the dormitory of South Korean workers, a South Korean official said.



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سكنا من الامم

EUROPE

History and Heritage Complicate U.S. Envoy's Swiss Tour

By Elaine Sciolino
New York Times Service

BURLINGTON, Vermont — In her inaugural speech as governor of Vermont 12 years ago, Madeleine Kunin proclaimed that her victory had changed state history.

"I am the first woman to serve as governor of Vermont, the third Democrat since the Civil War and the second governor of European birth," she said.

It did not occur to her to mention that she was also the first Jew.

But since her arrival as ambassador last year in Switzerland, the country where she was born 63 years ago, Ms. Kunin has had to confront her Jewishness in new and unsettling ways.

She had barely settled in Bern when diplomatic conflict broke out after the United States pressed the Swiss to acknowledge and publish information about bank accounts that had been dormant since World War II, some of them belonging to Jewish refugees. It was Ms. Kunin's fate to be the daughter of one of them.

"In America you could break

through all that," she said in an interview in Bern in August. "In Switzerland my Jewishness is more visible, shall we say."

"Not that I want to hide it. I don't. But it surprises me when I'm identified according to religion. That does not happen to American Jews. One of the joys of being Jewish in America is that it's part of you, but it's not a negative."

Unlike Secretary of State Madeleine Albright, whose Czech parents hid their Jewish roots from her, Ms. Kunin was raised in the faith. As a child she fled Switzerland with her mother and brother when the Nazis seemed poised to invade.

Last week she was back in Burlington to celebrate Rosh Hashanah with her children.

As ambassador, Ms. Kunin spends 75 percent of her time these days dealing with the fallout from Switzerland's reluctant discovery that its neutral role was not always a heroic one. She listens to the Swiss, coaxing them to face the legacy of the Holocaust. She encour-

ages them to identify money in Swiss banks belonging to victims of the Nazis and to pay compensation for their loss.

She is not crucial in making U.S. policy, senior administration officials say, but rather in explaining America to the Swiss.

Often, she keeps silent. Ever since the Swiss reacted with fury to a State De-

partment report issued in May about their country's World War II performance, the Clinton administration has refrained from criticizing the Swiss on the record.

Ms. Kunin says bluntly she "is not taking a position" when the subject turns to a simple question of justice: Why not insist that the Swiss comply with the 51-year-old Washington Accord requiring them to turn over much of the Nazi loot that was deposited in

their banks?

The consensus in the State Department is that in a country where letters to newspapers routinely accuse "Jewish circles" of terror, extortion and greed, even speculating about such an initiative would only provoke more outrage.

Despite toned-down language, just about every article written about Ms. Kunin in Switzerland describes the rift and refers to her as Jewish. Some of her mail lectures her to be more loyal to her Swiss roots. And there is a suspicion among many Swiss, articulated obliquely, that she was given the ambassadorship less because of her knowledge of their country and her ability to speak German than because of her religion.

"Some Swiss are convinced that I was chosen because I am Jewish, which is not true," she said. "I've never been the Jewish anything."

The Swiss identification of her as Jewish deepened in July, when the Swiss government published in news-

papers around the world a list of about 1,800 names of holders of dormant bank accounts dating from World War II, a move that Ms. Kunin had doggedly pursued.

Sitting behind her desk scanning the list in the Financial Times, she spotted a familiar name: her mother's.

"May, Renee, New York," the entry read.

Suddenly Ms. Kunin moved from policy promoter to plaintiff.

"The list does show how easy it would have been to find some of the people," she said. "They had my mother's name and New York City. I guess they could have started with the telephone books."

She and her brother, Edgar May, a Pulitzer Prize-winning journalist and former Vermont politician, have filed their claim to what they believe is their late mother's small bank account.

So is there a conflict of interest? She says not.

"This does affect me, and there's no sense pretending that it doesn't," she acknowledged. "But I've learned to compartmentalize and put this in one drawer."

Now she veers from praising the Swiss for their efforts to revealing flashes of impatience.

At a Rotary Club luncheon in Burlington last week, she seemed to apologize for what she called the Swiss "quandary."

"Every time somebody praises them, somebody else criticizes them," she said.

And she is reluctant to fault the Swiss for scrambling to shorten a long-awaited new list of perhaps 100,000 dormant accounts belonging to Swiss residents and for delaying its release. Or to press the Swiss to schedule a nationwide referendum before 1999 on whether to create a \$4.7 billion humanitarian fund.

But at another point during the luncheon, she openly complained.

"The Swiss have responded slowly," she said. "That's probably a mild way to put it."

Among political commentators in Switzerland, there is some sympathy for the delicate role she plays.

"That her mother was on the list has to make her position more difficult," said Pierre Hazan, a columnist for Le Nouveau Quotidien, who is Jewish.

Ms. Kunin is deeply concerned that if the United States is not careful, all of the emphasis on money will burst into a new wave of anti-Semitism in a country in which only 18,000 of a population of seven million are Jewish.

"A lot of us are uncomfortable when the focus is exclusively on money," she said. "It fuels the old anti-Semitic clichés about Jews and money."

BRIEFLY

Italian Left Leader May Support Prodi

ROME — Italy's hard-left leader, Fausto Bertinotti, said in an interview published Sunday that his meeting with Prime Minister Romano Prodi on Monday could make or break the government.

Mr. Bertinotti, whose Refounded Communist Party supports Mr. Prodi's center-left administration in the Chamber of Deputies, the lower house of Parliament, told the newspaper La Stampa that he would propose a one-year pact with the government at the meeting, but he remained gloomy about the prospects of such a deal.

"Let's put it this way," he said. "We're inclined toward pessimism, but we'll do all we can because tomorrow's meeting could prevent the fall of this government."

He said the Communists were still unsure whether differences on the 1998 budget and welfare reform could be patched up. (Reuters)

U.S. Backs Control Of Media in Bosnia

PALE, Bosnia-Herzegovina — The United States special envoy to Bosnia, Robert Gelbard, proposed Sunday that mediators regulate the nation's media, in effect formalizing de facto international control over broadcasting in the Serbian-ruled half of the country.

Last week, troops of the NATO-led peace force seized four transmitters broadcasting Bosnian Serb state television based in Pale, the stronghold of Radovan Karadzic and his hard-line supporters.

Mr. Gelbard said the Pale studio had continually broadcast "threats, lies and distortions" about the international organizations enforcing the 1995 peace accord. (AP)

Yeltsin Ally Falls Ill

MOSCOW — Anatoli Sobchak, the former mayor of St. Petersburg, has been hospitalized with heart trouble after collapsing during questioning about corruption, the far-Tass news agency said.

Mr. Sobchak, 60, one of President Boris Yeltsin's reformist allies, was taken to an intensive care facility after suffering what was suspected to be a heart attack during the questioning. (AP)

Agony in Umbria
Quake Menace Gnaws at Roots
Of Italy's Art-Based CultureBy Michael Kimmelman
New York Times Service

ROME — After the initial earthquake on Sept. 26 rocked the gentle Umbrian hill town of Montefalco in the middle of the night, Luigi Gambacurta, the mayor and a geography teacher there, awoke to ensure that the schools were safe. Then with an engineer he headed for the local museum to check its precious Renaissance frescoes by Perugino and Benozzo Gozzoli. A few tell-tale flakes of plaster pointed to a small crack in a rib of the vault above the Benozzos, so Mr. Gambacurta quickly enlisted help to buttress the walls with scaffolding.

The job was barely finished when the strong second quake struck. The frescoes were spared.

"Benozzo Gozzoli is the bread of Montefalco because he gives an image to our products," Mr. Gambacurta said. "But he is also our soul because he connects us to our history."

And on Friday another quake, in Umbria, registered 4.8 on the open-ended Richter scale. With the continuing quakes that have caused a reported 11 deaths and left thousands of people homeless, countless churches and public buildings in the region and in the adjacent region of the Marche are now closed, and dozens have suffered structural problems.

To travel through the affected region is not primarily to see enormous damage to the major monuments, like the vast basilica of St. Francis in Assisi, the great pilgrimage site and Umbria's artistic heart, but to find a broader and subtler form of cultural loss.

"The damage in the basilica in Assisi is terrible, of course, but we must not forget that the earthquakes have struck a large zone with lesser buildings and art that altogether characterize the region," said Giordana Benazzi, who is in charge of evacuating art from damaged buildings around Foligno.

"To lose them is to lose the region's character."

It can sometimes be hard for foreigners to grasp the particular, profound connection that Italians have between their art and their identity. Americans tend to evaluate a calamity like this by trying to put dollar figures on the loss. Italians talk about cultural patrimony.

The debate among art scholars over whether Giotto, a Florentine, or Pietro Cavallini, a Roman, painted the crucial cycle of frescoes of St. Francis in Assisi's basilica, a touchstone of early Italian art, is a matter of regional pride that has made the front pages. A fine artist like Benozzo Gozzoli may not be world famous like Giotto but he is as important to the people of Montefalco as Giotto is to the people of Assisi or Florence — or New York.

along with another ceiling fresco of St. Geronimo, a work that is sometimes attributed to Giotto or his followers.

Aftershocks since then have continued to shake the church, not to mention everyone's sense of security. A team of engineers is busily deciding how best to secure the upper basilica.

But the basilica is just the most famous monument to suffer in the quakes. Large chunks of the homely frescoes of saints in the council room of city hall in Assisi litter the floor, and the building is full of dangerous-looking fissures. Skittish officials scrambling to cope with the damage become apoplectic when anyone ventures into the shaky hall.

In Foligno, the first quakes opened an ugly gash between the facade and the rest of San Salvatore, a Renaissance church. The ghostly town center, strewn with bricks, is cordoned off because the tip of the cathedral's bell tower has crumbled. The cracked top of the tower of the ancient city hall also tilts precariously, like an overturned cup falling from its saucer. Officials were planning to knock it down.

Constantino Centroni, the superintendent for art in Umbria, who calmly tries to deal with the three telephones on the desk in his office in Perugia, which ring off the hook all day and night, said: "We're not talking about restoring a fresco here or there but about basic damage to practically all the buildings in Umbria."

"They're all important because they testify to history. Each of us, myself included, has deep roots in these places where we were born, and each of us wants his church or bell tower because it represents his own culture and heritage."

So when fire fighters in Nocera Umbra, a town devastated by quakes, decided to tear down the rickety Church of St. Peter along with its frescoes without consulting Mr. Centroni he was furious, not because the church has cultural significance outside Umbria, which it does not, but because it belongs to a delicate fabric of regional identity.

"Without their churches and towers, many of these tiny medieval towns, which have few people in them already, may simply be abandoned because these monuments are what ties them to their homes," he said.

There has been a measure of the usual finger pointing about possible faulty restorations from decades ago that may have aggravated the effects of the quakes. No one can say for sure yet if anything could have been done, or what should be done next. More than a dozen teams of architects, conservators and engineers from Umbria, Rome and Florence have been sent to assess the damage to all the monuments in Umbria and the Marche.

"People are looking to the basilica as a sign," said Nicola Giandomenico, a friar, who saw the damage to the upper basilica before the latest quake. He said that despite the continuing tremors the hope was to reopen the unharmed lower basilica, perhaps as early as this weekend in time for the feast day of St. Francis, but more likely next week.

"To open the lower basilica would certainly be a sign," he said.



Two Franciscan monks attending an outdoor Mass honoring Saint Francis of Assisi.

As Serbs Vote, Milosevic Gets Cooperation Pledge

Reuters

BELGRADE — The Radical Party leader, Vojislav Seselj, promised cooperation with President Slobodan Milosevic of Yugoslavia and confrontation with the West if he won the Serbian presidency Sunday.

"The Radical Party's victory would rule out any possibility of kneeling to any Western force," Mr. Seselj said after voting. "Serbia will focus on its own interests, the interests of the Serbian people and all its citizens," he said. "It won't be anyone's servant." With his party enjoying a surge in support, Mr. Seselj was challenging Mr. Milosevic's protégé, Zoran Djindjic, of the Serbian Socialist Party.

Midway through the voting, the independent election monitoring body CESID said the turnout in Belgrade and eight large provincial electoral districts averaged 17.25 percent, ranging from 16.74 percent in the capital to 25 percent in Cacak.

The vote must exceed 50 percent of the 7.2 million electorate to be valid and avoid another election. There was a strong possibility the threshold would not be reached because of a boycott by opposition parties. There was no information from the electoral commission, which normally issues turnout figures at regular intervals during voting.

Mr. Milosevic looked grim when he voted with his wife, Mirjana Markovic, who is leader of the powerful neo-Communist Yugoslav United Left, to which most of Serbia's non-Socialist political and business elite belong.

Mr. Seselj, a hard-line nationalist and opponent of the Bosnian peace agreement, has at times been an ally of Mr. Milosevic's and at times a foe. Commenting on relations if he won the presidency, he said: "Our duties are strictly defined by the constitution. I doubt whether he'll be able to prevent me from fulfilling mine." He added, "I have no intention of hampering him in fulfilling his either."

A Top War Crimes Suspect Will Surrender

A top Bosnian Croat war crimes suspect, Dario Kordic, has agreed to surrender to the international tribunal in the Hague, Reuters reported from Zagreb, quoting the Croatian defense minister, Gojko Susak.

Mr. Kordic joined nine other Bosnian Croats who said through one of their lawyers Friday that they would leave for the Hague Monday to face charges.

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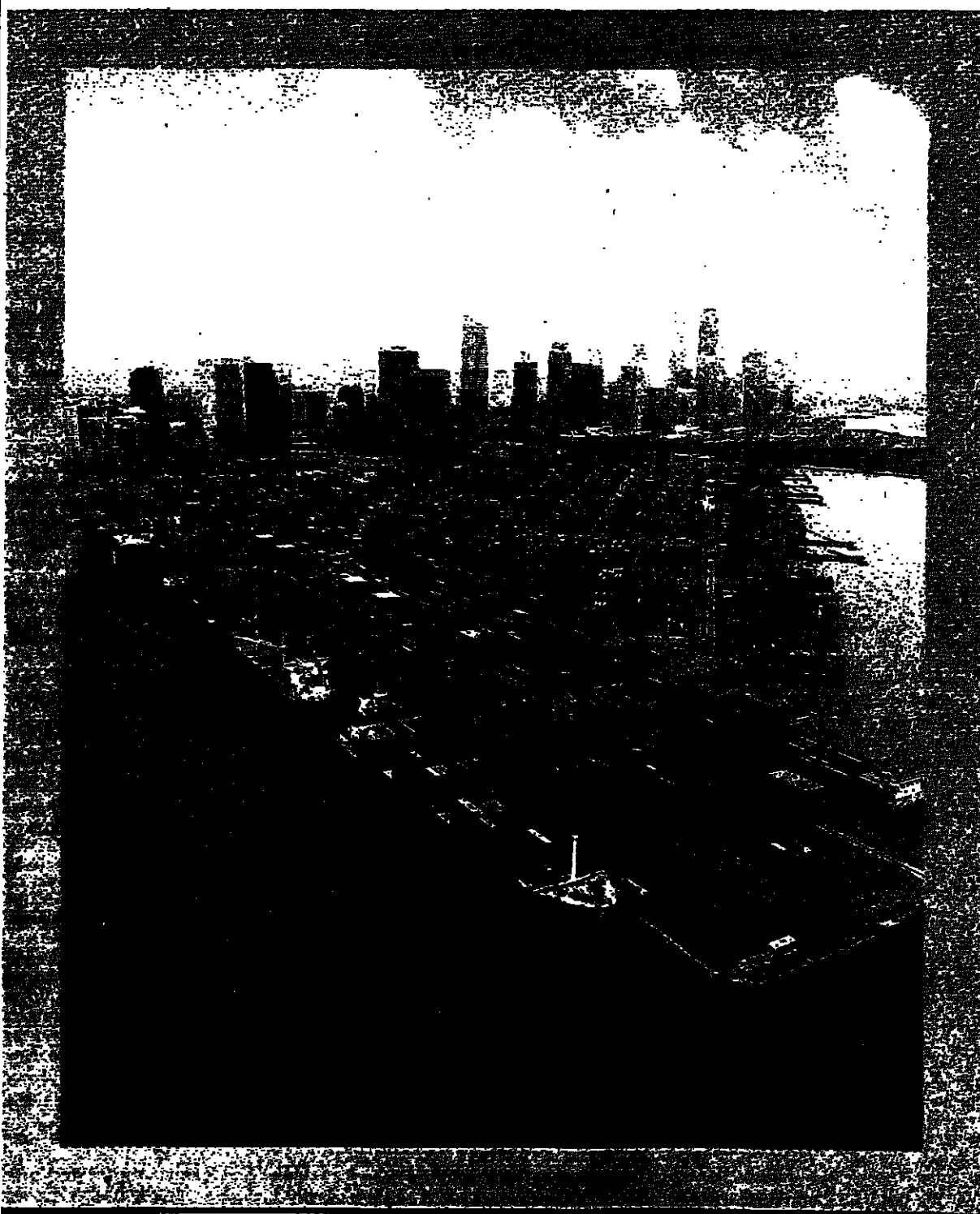
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INTERNATIONAL

Libya Buys U.S. Goods Through NATO Allies

By Raymond Bonner
New York Times Service

LONDON — In order to elude economic sanctions imposed by Washington, Libya is buying U.S.-made goods through front companies in Britain and other NATO countries, according to interviews with U.S. and European officials, court records and other public documents.

Colonel Moammar Gadhafi's government, long accused of sponsoring terrorism, has been able to obtain everything from U.S.-made computers to a portable diesel fuel refinery, fuel pumps, pipe-laying machines and well-drilling equipment through European companies.

Much of the equipment has been acquired for a project designed to move water 965 kilometers (600 miles) through the Sahara Desert, or so the Libyans say.

U.S. officials say that Colonel Gadhafi's so-called Great Man-Made River Project also masks construction of a chemical weapons plant at Tarhuna, which the CIA watches closely and Washington has even threatened to bomb.

Washington's efforts to put a crimp in the brisk, sanctions-busting trade are hampered because U.S. law enforcement agencies receive only limited cooperation from their allies in investigating these transactions, American officials in Europe and the United States said.

"Foreign governments, including the British, cooperate in helping us make cases against American companies, but when it comes to actions against companies in their own countries, they are reluctant," said Michael Turner, deputy director of strategic investigations at the U.S. Customs Service, choosing his words carefully.

In what the Justice Department says is the largest known case of unlawful trading with Libya since Washington imposed sanctions a decade ago, a Texas company made more than 100 shipments between 1994 and 1996 of anti-

corrosive pipe coating, machines and parts to a British company, which sent them on to Libya for the irrigation project, according to court documents. The materials were just the kind that might be needed for the water project, but would also be ideal for the chemical weapons factory, experts say.

The U.S. company has had its export license revoked, and the U.S. attorney in Houston is investigating the matter, which could lead to a criminal indictment, U.S. officials said.

U.S. officials are guarded when talking about the problem of America's allies serving as conduits, lest they create diplomatic disputes, and because there are several active investigations in which Washington is hoping for cooperation in prosecuting U.S. and foreign participants.

The United States does not know how much equipment destined for Libya passes through Britain and Germany, countries where the problem seems to be the greatest at the moment; the authorities there do not bring suspicious cases to the attention of the Americans.

Sweeping economic sanctions were first imposed on Libya in 1986 by President Ronald Reagan, based on charges that Colonel Gadhafi was behind numerous terrorist acts.

Washington hoped that the pressure would persuade Colonel Gadhafi to hand over two suspects in the bombing of Pan Am Flight 103 over Lockerbie, Scotland, in 1988.

Last year, in a further effort to cripple Libya economically, Congress enacted the Iran-Libya Sanctions Act, which allows Washington to impose sanctions on foreign companies doing business with Libya.

Although London has repeatedly stressed that Libya must surrender the Lockerbie suspects, it is not unlawful to trade with Libya if the goods do not have a clear military use or if they do not violate the limited United Nations sanctions, which prohibit arms sales to Libya and restrict flights there.



The leader of Israel's Labor Party, Ehud Barak, center, emerging from Prime Minister Benjamin Netanyahu's office Sunday after a briefing on the attempted assassination in Jordan of the political leader of Hamas.

ISRAEL: A Botched Hit Sparks Crisis

Continued from Page 1

not allow the sheikh to return to Gaza unless Jordan released the two detained Israelis, Reuters reported.

Zeev Schiff, a reporter for Ha'aretz, was among several voices insisting that if Mr. Netanyahu was responsible for the debate, he had to step down.

For now, Mr. Netanyahu has remained silent. But a statement issued after the cabinet's weekly meeting, while avoiding direct comment on the affair, sought indirectly to defend the attempted assassination and to defend Mr. Netanyahu against published charges that he had ordered the assassination over the objections of his security chiefs.

The statement described the target of the attack, Khaled Meshal, as "responsible for the murder of innocent Israeli civilians." It also followed Mr. Netanyahu's practice in his many crises of attacking the press.

"False charges are being published, thus cynically exploiting a situation in which the government is, at present, refraining from comment," it said.

In Jordan, King Hussein also continued to refrain from directly accusing Israel of the attempted assassination. But in an interview with the Arabic daily Al Hayat, the king assailed the attempt on Mr. Meshal as "an irresponsible act" by someone determined to undermine the process toward peace.

Making clear who he meant, King Hussein proceeded to lash at Mr. Netanyahu with unusually blunt terms: "I am personally unable to reach a conclusion as to how the Israeli prime minister thinks. This makes me very worried."

Experts in Israeli strategic affairs also said they were stymied by the thinking behind the operation. "It probably would have been an even greater disaster if they would've killed this guy," said Mark Heller, research fellow at the Jaffee Center.

Threat to Rare Wildlife

Fires Hit Protected Areas and Kill Orangutans

By Michael Richardson
International Herald Tribune

SINGAPORE — The forest fires in Indonesia are threatening some of the region's most vulnerable wildlife, including such rare species as orangutans, the Javan and Sumatran rhinoceroses and the Sumatran tiger, conservationists said Sunday.

They said that the fires, which started in July, were destroying important protected areas in the Indonesian provinces of Kalimantan, Sumatra, Java and Irian Jaya — home to some of the richest and most diverse plant, insect and animal life on the planet.

"About 30 female orangutans have died as a result of the fires in Kalimantan," said Willie Smits, coordinator of orangutan conservation activities at Indonesia's Environment and Forestry Ministry in Jakarta.

The islands of Borneo — about two-thirds of which is Indonesia's Kalimantan Province — and Sumatra are the only places in the world where orangutans are found in the wild. There are estimated to be fewer than 30,000 of the orange-haired primates — at least 30 percent fewer than a decade ago.

Environmentalists warned that the threat to endangered and vulnerable species could become much worse if the fires continued to spread.

"Already, some 11 protected areas are burning in Sumatra, Kalimantan, Irian Jaya and Java," said Darmawan Liswanto, who works with the species-monitoring project in the Jakarta office of the World Wide Fund for Nature.

He said that there had been extensive destruction of forests in Kalimantan and Sumatra, where, even before the fires started, only about 2 percent of the orangutans' original forest habitat remained. "Much of it was in areas now ravaged by fire or affected by the thick smoke," Mr. Liswanto said.

The orangutan is listed as "vulnerable" in wildlife categories established by the World Conservation Union.

Indonesia also is home to a number of other rare species whose ability to survive, environmentalists say, may be

threatened by the fires. Three of them — the Javan and Sumatran rhinoceroses and the Sumatran tiger, have been listed as "critically endangered" by the World Conservation Union.

"Although the main concentrations of the Indonesian population of Sumatran rhinos, some 100 to 200 animals, are still outside the fire areas, there are small groups in some of the affected protected areas that are very threatened," said Elizabeth Kemp of the World Wildlife Fund International in Gland, Switzerland.

FIRES: Solidarity Strained

Continued from Page 1

and environment minister, Law Hieng Ding, said he had conveyed to Indonesian officials the feelings of Malaysians over what they viewed as a lack of effective action by Indonesia.

"We have spent millions and sent our fire fighters to Indonesia, besides declaring an emergency and enforcing strict anti-pollution regulations in the country," he said in an interview with a Malaysian newspaper. "However, we want to see Indonesia doing more. We have been generous in our financial contributions, but this should not be taken advantage of."

Singapore's satellite photographs appear to confirm claims by officials of the Indonesian Environment and Forestry Ministry that much of the burning, aimed at clearing land cheaply, is being done by companies that want to expand plantations of timber, palm oil, rubber and other commercial crops.

"The blame must surely go to the logging and plantation companies which callously burn in the name of profit," The Nation newspaper in Thailand said. It added that Jakarta must also take responsibility for "poor governance."

Many of these companies, analysts say, have close ties to Indonesia's government, bureaucracy and armed forces. In response to such allegations of collusion, the Indonesian Environment and Forestry Ministry said Friday it would revoke 151 permits issued to 29 companies after they failed to meet a deadline for responding to charges that they had breached a ban imposed by President Suharto last month on clearing land by fire.

The companies were among 176 placed under official investigation. Under the new law forbidding burning, the government can sentence offenders to as much as 15 years in prison, close their commercial operations and seize their assets. The official Indonesian news agency, Antara, said penalties against the 29 companies would depend on the extent of their violations. It said other companies might be included as the official inquiry proceeded.

The deputy prime minister of Malaysia, Anwar Ibrahim, welcomed signs of a tougher approach by Indonesia.

"I think there was a communication problem in the beginning," he said, "but the situation appears more positive now, and Indonesia appears to be taking good measures."

Mr. Yeo, the Singapore minister, said his country hoped that Indonesia would take "very firm action" next year to "prevent big plantation owners from doing controlled burning" of the forests. "Hopefully, this way, we will not have a repeat in future years of the terrible haze we have been having this year, not just in Singapore but in the region," he said.

The result, analysts said, would be a litmus test of how well ASEAN members could work together.

"If there is little or no progress, the haze pollution will continue, with the threat of returning in future," Simon Tay, who teaches international law at the National University of Singapore, said. "Such a scenario will strain ties and raise a cloud of doubt over the effectiveness of cooperation in ASEAN."

U.S. Carrier Move Raises Tensions, Gulf Paper Asserts

Reuters

DUBAI, United Arab Emirates — The United States has needlessly raised tensions in the Gulf by rushing an aircraft carrier to the region, one of the leading newspapers in the Gulf said Sunday.

The U.S. defense secretary, William Cohen, ordered the carrier Nimitz last week to skip a port call in Singapore and move to the Gulf "at best speed" in response to Iranian air raids on bases of armed opposition exiles in southern Iraq.

At the same time, Washington warned the government in Tehran that Iranian aircraft could be shot down if they violated the flight ban.

"The U.S. already has an operational force in the region to patrol the 'no-fly zone' inside Iraq, so Nimitz could have got to the region a few days later than planned without creating a crisis," the newspaper Gulf News said in an editorial.

The English-language daily said the ban on flights in the north, and another in southern Iraq, amounted to "a questionable curtailment of Iraq's sovereignty." It said the way the United States enforced the two no-fly zones — one in the north declared in 1991 to protect Kurds and one in the south imposed in 1992 after Iraqi Air Force raids on Iraqi Shiites — was a major reproach in itself.

"Why is Turkey being allowed to violate Iraq's sovereignty by flying into the 'no-fly zone' in the north of Iraq and attacking its Kurdish rebels from the air and on the ground without any action being taken by the U.S.?" the paper asked.

IRAN: U.S. Reconsiders Vow to Punish Total for Iran Investment

Continued from Page 1

criticized by some members of Congress as an abandonment of U.S. policy.

Officials said the decision was consistent with the U.S. commitment to deter terrorism.

The objective of the Iran-Libya Sanctions Act was to encourage other countries to join the United States in trying to isolate Iran economically, administration officials said.

If negotiations with the EU lead to more vigorous European measures to combat Iranian support for terrorism and limit Iran's access to sophisticated weapons, the purpose of the law will have been fulfilled and sanctions will not be required, officials said.

"It's important to bear in mind the reasons why we supported the legislation in the first place," James Rubin,

the State Department spokesman, said last week.

"The objective of the legislation is not to impose sanctions. The objective is to get other countries, in Europe in particular, to work with us on the subject of tightening up the pressure on Iran."

He said U.S. negotiators would meet with EU officials twice this month about "ways to ratchet up the pressure."

After protracted negotiations, Giant last week joined the Russian gas giant Gazprom and the Malaysian state oil company Petronas in a \$2 billion deal to develop the Iranian offshore gas field known as South Pars.

Total virtually dared the United States to act, knowing it had the support of the French government and the European Union for its challenge to U.S. efforts to assert its policies in Europe.

The sanction legislation's chief sponsors — two New York Republicans —

Senator Alfonse D'Amato and Representative Benjamin Gilman, sent a letter to President Bill Clinton demanding retribution against Total.

"If the United States does not take swift, decisive action to apply these available sanctions, we will undercut our long-standing policy against Iranian terrorism, a policy which you have advocated at the summit level on many occasions," they said.

But the EU and France made clear that they would support Total and warned Washington against any retaliation.

Total had a legal right to make the deal, the European Commission chairman, Sir Leon Brittan, said in a statement, adding that steps already taken by the Europeans to rein in Iran "meet the terms for a waiver set out" in the U.S. legislation.

KOREA: Presidential Candidates Take to the Television Screen

Continued from Page 1

"A lot of people are interested in this campaign because we don't know who is going to win," said Kim Young Ku, 60, a retired elementary school teacher. In the past, she said, people assumed it would be the governing party's candidate.

Mrs. Kim said she welcomed the new TV exposure because voters finally have a chance to "meet" candidates, see how they differ from one another and get a glimpse of their personalities.

She was disappointed, she said, when Mr. Lee recently was asked on TV to name his three top wishes.

"All of them were about his own family," she said. "We need a strong leader, somebody with a grand vision for the country."

The campaign this year is also pivotal because the outdoor mass rally, where

the candidate could control his image better than on live TV shows, is all but dead. Television has overtaken the rally as the most important campaign tool. It is assuming a central role here because it is only in recent years that the media have been so independent of the government. A package of political reforms in 1987 helped make the country more democratic, and every year since then TV stations and newspapers have grown freer.

"Times have changed, and the government controls much less," said Shin Nakym, a member of the National Assembly and of Kim Dae Jung's National Congress for New Politics party.

On Se Eung, deputy speaker of the National Assembly and member of the New Korea Party, said the use of free TV has risen alongside the "strong anti-corruption mood in the country."

Past elections have been so soaked

with bribes and cash that there is no reliable accounting of how much was spent, although many say more than \$1 billion was spent in the 1992 election.

Voters were sickened by testimony in the trials last year of two former presidents who told of amassing hundreds of millions of dollars in political slush funds. Roh Tae Woo, president from 1988 to 1993, publicly apologized for collecting \$630 million in illicit contributions. Mr. Roh, and his predecessor Chun Doo Hwan, whose slush fund was believed to be even bigger, remain in jail, and public disgust with sleazy money politics remains high.

As a result, this presidential campaign is expected to cost a small fraction of what the 1992 campaign did. And as part of the effort to curb spending, National Assembly members are discussing whether to outlaw the mass rally, which Mr. Oh called the "base of corruption."

Some politicians estimate that in the past a single outdoor political rally cost \$20 million. The events were so expensive because candidates would gather as many as a million people, most of whom would be given a "daily allowance" of perhaps \$10 for showing up. Hundreds of buses would be ordered to transport people from all over the country. Even hotel rooms had to be provided. By a conservative accounting, if 500,000 showed up, the rally would cost about \$5 million.

In the current campaign, all the television air time used thus far has been free, and paid advertisements are limited to the final month before the vote. Last week, MBC, a major network, gave 90 minutes in prime time to each candidate. On successive nights, a panel of scholars and journalists questioned each contender.

Lew Hyuk In, chairman of the Korea Cable Communications Commission, said that even in the 1992 presidential race, TV campaigning "was not in full swing."

"But there has been a huge change" this time around, he said.

Not surprisingly, some within the ruling party are critical of the new campaign. They say the practice of allowing TV commentators to ask candidates to tie up bunches of cabbage for the camera, as one did, or to ask a candidate if his wife was his first love, mocks the office of the president.

Many others agree that perhaps the media have gone too far, but the thinking generally is that the growing pains of a free press are easier on the public than expensive back-room politics.

Rock 'n' Roll Toll: Clinton Gets Hearing Aids

By Peter Baker
Washington Post Service

WASHINGTON — A half-century of marching bands, rock 'n' roll music and campaign rallies has taken such a toll on President Bill Clinton's ears that doctors have fitted him for hearing aids.

For years, Mr. Clinton has suffered from a high-frequency hearing loss that makes it difficult to discern what people are saying in the din of a crowded room. But the condition has worsened to the point where the president even complained that he could not make out what hecklers were shouting at him during recent speeches.

"It interferes with his understanding of certain words," said James Suen, the hearing specialist who examined Mr. Clinton last week during his annual physical checkup. "It's not anything like profound deafness."

The president will receive one device for each ear, but will have to use them only in settings where he typically has had trouble hearing, such as receptions or political fund-raisers. Unlike older models that are easily noticeable, the advanced "completely-in-canal" versions chosen for Mr. Clinton are so hidden that most people around him will not know when he is wearing them.

While Ronald Reagan used them during his years at the White House, Mr.

Clinton at 51 is far younger, and the image of a baby-boomer president with hearing aids could have widespread impact, medical experts said. What is unusual is that someone of his age would so readily accept the inevitability of needing artificial help. Of 26 million Americans with hearing loss, only an estimated 6 million wear hearing aids.

"There are a lot of people out there who need these but there's such a stigma

CLINTON: Republicans Assail Decision

Continued from Page 1

He said Ms. Reno had not known of their existence and that the White House would have to explain the delay in producing them, but added, "As yet, there's absolutely no reason to believe they would change her conclusion whatsoever."

The tapes could place Ms. Reno in an awkward position, coming so soon after the letter to legislators, in which she said she was aware of no evidence of improper actions during the White House coffees.

Ms. Reno has been overseeing a Justice Department inquiry to see whether an independent counsel should be named to investigate allegations that Mr. Clinton improperly made fund-raising phone calls from the White House. Her decision whether to expand that

inquiry is due Oct. 15. On Friday, she said that an examination of telephone solicitations by Mr. Gore would be extended by up to 60 days.

Before the outbreak of criticism on Sunday, administration officials had said they hoped Ms. Reno's letter would provide sufficient legal and factual substance to puncture the charges of some Republicans that she was acting purely on partisan grounds as the appointee of a Democratic president.

In her letter, Ms. Reno also reported that the Justice Department had found no evidence that Mr. Clinton had attempted to solicit campaign contributions in exchange for political favors.

She said she was aware of "no evidence whatsoever" of any "quid pro quo exchange" of donations for official action.

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Why Invest in Companies That Violate American Law?

Perhaps Congress's banking committees can bring in Joe Kerry of Merrill Lynch, who doesn't return my calls, and Total's deal maker at First Boston and ask them publicly if they knew of the Iran deal.

Prospering Poles Look Back at the Past and Vote Accordingly

The writer, now The Washington Post's assistant managing editor for foreign news, was the paper's Warsaw bureau chief from 1985 to 1989.

No, Conservatism Is Winning

today is obvious: postpartum depression. We've had our splendid baby: an astonishing, world-historical victory over the Evil Empire, and universal acceptance of the free market system. And now that it is over, we cannot abide the letdown.

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1897: Silverites' Man

LONDON — The *Times*, on the election of the Mayor of New York, says: "It is matter for alarm that there should be a possibility of seeing Mr. George at the head of the government of a city with an annual budget of some millions sterling. He is the nominee of the Silverites, and he can be returned only by winning the support of some of the dangerous classes in New York, including people who would not stop at a point which Mr. George himself deems expedient in the war against property."

1922: Theatre Strike

VIENNA — A novel kind of strike surprised theatre-goers when the musicians at the Theatre an der Wien, where "Frasquita," Lehar's latest operetta, is personally conducted by the composer every night, suddenly began to play

1947: Physicist Dies

PARIS — Professor Max Planck, whose discovery of quanta in 1900 opened up a new era in physical research and laid the foundations of all that the world has learned about the atom since, died in Goettingen, Germany. He was eighty-nine years old. Professor Planck, who was awarded the Nobel Prize for Physics in 1918 for his work on the quantum theory, was considered by scientists as the "father" of nuclear physics. Planck made the discovery that physical action in the realm of the ultimate constituents of matter was not continuous, as science had assumed for 300 years, but took place in "jumps," which he called quanta of action.

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INTERNATIONAL

As Princess Is Married, A Nod to All of Spain

Languages Galore in Cristina's Wedding

By Laurie Goodman
New York Times Service

BARCELONA — Princess Cristina, the third in line to the Spanish throne, married a Basque commoner, who is a professional athlete, in a ceremony that paid tribute to Spain's diverse regions.

The Roman Catholic service Saturday in Barcelona's 13th-century cathedral was principally in Spanish, but also in Catalan, the regional language spoken in Barcelona, where the bride lives, and in the Basque language, the groom's native tongue. Crowds lining the 16-kilometer (10-mile) procession route waved little blue flags that read "Best Wishes" in the three languages.

Princess Cristina Federica de Borbon y Grecia, 32, is the first member of the Spanish royal family ever to hold a salaried job: she prepares photographic exhibitions for a savings bank foundation. The groom, Inaki Urdangarin, 29, is a professional handball player.

They met last year at the Atlanta Olympics.

The wedding of the middle child of King Juan Carlos I and Queen Sofia was in step with the royal family's efforts to strengthen links to all the country's regions. It is a style that has helped make the royal family enormously popular since the monarchy was restored in 1975 after the death of the right-wing dictator, General Francisco Franco.

The televised storybook images from the Catalan capital of the smiling princess in a long white gown did not show a growing undercurrent of political tension between Spain's regions and Madrid.

The wedding served as a weekend pause in the battle of words.

The minority conservative government of Prime Minister Jose Maria Aznar controls Parliament thanks to support from the Barcelona-based Catalan nationalist coalition, which in return has extracted concessions for greater control over the regional budget.

The Catalan political leader, Jordi Pujol, was seated one row behind the prime minister in the cathedral Saturday. Mr. Pujol has been staying at arm's length from the government, partly because of incidents like the one at a recent concert in Madrid that was supported by the central government in which a performer was loudly heckled for singing in a dialect of Catalan.

But Mr. Aznar's relations are even worse with the Basque Nationalist Party, which withdrew its support for him last month after failing to win control over regional unemployment policy. The party leader declined an invitation to the wedding.

The Catalan and Basque regions have been the traditional economic powerhouses of Spain, attracting job-seekers from poorer regions. They are also the two regions that have voiced support loudest for independence. The Basque region has an active separatist group that for years has used bomb attacks and kidnappings to fight Madrid.

The history of the regions made the match of the Spanish princess, who has lived in Barcelona for five years, and the tall Basque athlete all the more engrossing for ordinary Spaniards.

"Just because we have our own language and culture doesn't mean that we reject Spain," said Alicia Ruiz, 22, a waitress at a hotel near the cathedral. "It's a shame how they think of us."



Princess Cristina and Mr. Urdangarin being married in Barcelona's 13th-century cathedral. The Roman Catholic service was celebrated in Spanish, Catalan and Basque, and was broadcast on Spanish television.

Ugly American Returns

Resentment Against the U.S. Resurrects Cliché

By David E. Sanger
New York Times Service

WASHINGTON — The Ugly American has a new look around the world.

The first image, drawn from the best-selling 1958 novel and the subsequent movie starring Marlon Brando, was of the meddling, culturally obtuse ambassador in Southeast Asia, although the Ugly American of the title is an engineer who helps the common people. Soon the archetype had metamorphosed to the overfed, camera-laden tourist, loudly demanding a cheeseburger in a Paris café.

But if you are Malaysian these days, there is nothing uglier than an American currency trader — the breed that

for a special exemption for the Korean Peninsula from the Canadian-inspired treaty to ban the use of land mines. When other nations refused to go along, President Bill Clinton declined to sign. And now the usual trade and fishing disputes have escalated into some of the nastiest political spats in years.

Casting America as arrogant — even vilifying U.S. power to suit a domestic audience — is old sport around the world. But in the past few months, it has taken a new turn.

The complaint these days is that America's remarkable run of prosperity has made it unbearable. Its detractors complain that the United States not only wants to set the rules for the world (often in the guise of letting market forces reign), it also wants to use its power to dictate exceptions to those rules. More than a few see conspiracies at work.

Fuming Asians like Mr. Mahathir charge that the real U.S. aim is to crush rising competitors and the French see an effort to shove American-style capitalism down Europe's throat.

The pushed are starting to push back. Prime Minister Lionel Jospin of France said last week that he "rejoiced" at the news that Total had decided to thumb its nose at the Iran-Libya Sanctions Act, an extraterritorial inspiration of Mr. D'Amato's that became law last year.

"No one accepts the idea the Americans can make laws that apply on a global scale," Mr. Jospin said. "If not, the planet would be a different place and we would not be the old, independent nation that we are."

President Boris Yeltsin of Russia could not resist joining in, saying on television: "Thank God that Russia, France and Iran are independent, freedom-loving states, and interference from any other state is not to be tolerated." It is hard to remember the last time a major leader described Iran in quite those terms.

NEWS ANALYSIS

Prime Minister Mahathir bin Mohamad assailed as "morons" who triggered a 36 percent decrease in his nation's currency and shattered his dreams of building an Asian Silicon Valley.

If you are French, the ugliest Americans reside in the Senate — Alfonse D'Amato and Jesse Helms are frequently named — and believe that America has the right to reach beyond its borders to punish companies that fail to obey U.S. dictates about dealing with such rogue states as Iran or anyone else.

That explains why France, and the rest of the European Union, cheered last week when the French oil company Total SA said it would risk U.S. sanctions and invest \$2 billion in an Iranian gas project, along with the Russian oil giant Gazprom and — no coincidence here — Malaysia's state oil concern.

In Canada, where proximity can certainly make the heart grow less fond, hardly a day passes when the airwaves are not popping with denunciations of the next-door neighbor's latest insolence. The latest was the U.S. demand

BRIEFLY

Gunmen Attack Office of the UN in Baghdad

CAIRO — Four unidentified gunmen hurled grenades and fired bullets at an office of the UN oil-for-food program in Baghdad, destroying and damaging at least three vehicles in the compound, officials said Sunday.

No one was hurt except one of the attackers, who was overpowered and taken into custody by the Iraqi Army, said a UN statement sent here. The other three gunmen fled, it said.

No one immediately claimed responsibility for the attack. It was not clear how the attacker was injured.

The attack happened Saturday night at the World Health Organization's headquarters in Baghdad, when there were no staffers in the building except guards. (AP)

In Brazil, Pope Says Mass for 1.5 Million

RIO DE JANEIRO — Pope John Paul II said Mass on Sunday for more than 1.5 million people on a Rio beachfront, wrapping up a trip in which he sounded a battle cry for the family.

"The family is the fundamental community of love and of life," he said in his homily before the crowd. "All other communities and societies are based on it." (Reuters)

Yemen Arms Crackdown

SAN'A, Yemen — Yemen began a nation-wide campaign Sunday to disarm its citizens, who own 50 million firearms — three guns for every person in the nation.

Witnesses in San'a, the capital, said security forces patrolled the streets and set up checkpoints in search for unlicensed arms.

"We have orders from the Interior Ministry to impound unlicensed weapons," said a security officer at one of the checkpoints.

Illicit guns, predominantly Kalashnikov automatic rifles, are openly carried in Yemen, one of the Arab world's poorest countries. (Reuters)

28 Killed in Colombia

BOGOTA — Two attacks, one blamed on leftist guerrillas and the other on paramilitary gunmen, have left at least 28 police, soldiers and prosecutors in Colombia dead, the authorities said over the weekend.

The authorities blamed guerrillas for the second of the attacks, which wiped out a two-vehicle police patrol Saturday, killing 17 officers and wounding four others in Alto de Bodega, about 150 kilometers (95 miles) south of Bogota.

On Friday, gunmen ambushed a convoy carrying law enforcement officials southeast of the capital. Eleven members of the convoy, including a half-dozen soldiers, were killed, as were two assailants, General Alfredo Salgado of the police said. (AP)

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THE AMERICAS

Some Bones Named 'Sue' Go to Bidder For \$8 Million

By Malcolm W. Browne
New York Times Service

NEW YORK — The Tyrannosaurus Rex fossil named "Sue," considered to be the most complete ever found, has been auctioned for \$8.36 million to the Field Museum of Natural History in Chicago.

The auction, which involved nine bidders, took nine minutes Saturday to achieve a record price for the sale of a fossil. The auctioneer at Sotheby's who officiated, David Redden, called the winning bid an "incredibly strong price."

Many scientists expressed relief that the fossil would remain in the United States in an educational institution.

The actual bid for the fossil was \$7.6 million, but with a 10 percent buyer's premium, the total came to \$8.36 million.

Speaking for the Field Museum, John McCarter Jr. said money for the fossil had been provided by McDonald's Corp., Ronald McDonald House Charities, Walt Disney World Resort, the California State University System and private individuals.

The fossil was discovered in 1990 by Susan Hendrickson, who was working for the Black Hills Institute of Geological Research, a commercial fossil dealer in Hill City, South Dakota. The Black Hills fossil prospectors had sought and received permission from a landowner, Maurice Williams, a Sioux Indian, to scout his badlands property for bones, knowing it to be a rich site of late Cretaceous treasure.

By federal consent, Sotheby's was selected to dispose of Sue on behalf of Mr. Williams, who will receive the bulk of the proceeds.

The new owner will receive a rich fossil bonus in addition to Sue herself. The Black Hills Institute preserved even the matrix rock removed from the dinosaur fossil, and this rock is rich in the fossils of other animals, including a well-preserved Cretaceous turtle that lived at the time of Sue.

Other fossils of great scientific interest include material believed to have been Sue's stomach contents from her last meal.

Sue's remains have yet to be studied in detail, but gashes by serrated dinosaur teeth blanching her skull and some of her bones are evidence of mortal battles, some of which may have ended Sue's life some 65 million years ago.

AMERICAN TOPICS

In California, a New Tack On Single-Sex Education

In the classrooms of Brookside Middle School in Stockton, California, girls huddle around tables and computer terminals. Down the hall, in other rooms, boys work quietly on their history and science assignments. Only during the recess period are the boys and girls allowed to mix on the playground, where they eye one another, whispering and giggling.

The unusual approach in Stockton is part of a \$5 million pilot program to test single-sex education in California schools as a way to expand choices and improve chances for students at risk. Single-sex settings, supporters believe, encourage girls to feel more confident and be more vocal in class, while

keeping boys more focused and better behaved.

Under U.S. law, federal funding can be denied to schools that set up single-sex classes. To get around that, Brookside and other schools have set up separate and entirely optional "academies" within schools, providing them with strictly identical resources. Some critics, however, say the real need is for coeducational classes where a greater effort is made to identify and confront gender-based problems.

Although classroom segregation has been practiced in private schools and in other countries for years, there are few studies documenting the proposed benefits. The kids at Brookside, however, seem unconcerned with that and appear happy.

"You do get embarrassed in front of all the boys," Emilie Bigo, 13, told the Philadelphia Inquirer. And Michael Bricks, 12, is happy not to have girls in physical education class. "They say: 'No, I don't want to do that. I'll break my nails.'"

Short Takes

As much as Americans like to bash the U.S. Postal Service, only a minuscule portion of the billions of letters sent annually are lost in transit. The amount of e-mail, on the other hand, that disappears into cyberspace appears to be unacceptably high, reports The Hartford Courant of Connecticut.

Inverse Network Technology, a California company, in August fired off 52,700 messages from a dozen of the country's largest Internet-access providers, but not the two biggest, AOL and CompuServe.

Eighty-seven percent of the e-mail reached its destination within five minutes of being sent, with most of the rest trickling in within 12 hours. But an estimated 0.5 percent never arrived. The Postal Service does it better. About one of every 2,500 letters it handles is undelivered.

Almost half of new marriages end in divorce in the United States. Now, reports George magazine, as many as

20 states are devising ways to make divorce more difficult. In Indiana, which has the second-highest divorce rate in the country — trailing only Nevada, home of the quickie divorce — there is a push to increase the current 60-day waiting period before a divorce is granted. Other states are considering a requirement that couples receive counseling before a marriage license is granted. The states with the lowest divorce rates are Pennsylvania, Maryland and Massachusetts.

Genius, someone said, is the ability to constructively combine two quite unrelated ideas. And some genius in the Texas Transportation Department has come up with a doozy: using waste toner fluid from copy machines and printers to make better roads. Toner, made mostly of styrene polymer and carbon black, improves asphalt's high-temperature properties and increases its durability. Popular Mechanics reports.

Brian Knowlton

Away From Politics

• Twenty-seven anti-nuclear activists were arrested at the Cape Canaveral Air Station during a protest against NASA's plan to launch a spacecraft to Saturn that will carry radioactive fuel. The police said up to 1,200 protesters demonstrated outside the air force base. The White House last week approved the planned Oct. 13 launch of the space probe on an 11-year mission. (Reuters)

• The musicians of the Chicago Symphony Orchestra agreed to a three-year contract that allowed the orchestra to open its 107th season as planned in a newly refurbished concert hall, Symphony Center, formerly called Orchestra Hall. (Reuters)

• An inquiry into what caused an air force F-117 Stealth jet fighter to fall from the sky on Sept. 14 near Baltimore has discovered that a metal brace in the left wing was improperly installed and gave way, precipitating the crash during an air show performance, air force officials said. (WP)

POLITICAL NOTES

Gore in Reno Land

TAMPA, Florida — When Senator Bob Graham introduced Vice President Al Gore at a convention of the Florida Democratic Party this weekend, the last person anyone expected the senator to mention was Attorney General Janet Reno.

After all, Mr. Gore tried throughout his two-day trip to talk about everything except Ms. Reno's decision Friday to extend her inquiry into his campaign-finance practices in the 1996 election.

But in praising the Clinton administration for identifying the "quality and talent of Floridians" in making major appointments, Mr. Graham could not easily exclude the best known of them all: Ms. Reno, a graduate of Coral Gables High School.

Even so, the boisterous crowd of about 1,400 partisans did not take sides: They cheered for Ms. Reno and they greeted Mr. Gore enthusiastically, waving placards that proclaimed "Florida Loves Gore."

Beneath the partisan cheer, however, many delegates expressed nervousness about Ms. Reno's examination of the vice president, and raised questions about the implications for Mr. Gore's White House ambitions in 2000.

"I think it will hurt him tremendously," said Cynthia Turni, 47, a high school language teacher from Fort

Lauderdale. "He's the focus of attention; he's the vice president. And no one can walk away clean from all these allegations." (NYT)

Perot People Reform

SCHAUMBURG, Illinois — They helped Ross Perot start his political organization, United We Stand America.

They went door-to-door for him in 1992 and suffered for him again in 1996. For 2000, they will have another horse.

Dissidents from Mr. Perot's Reform Party formed a new national party over the weekend. For now, they are calling it the National Reform Party, though they are looking for a name that does not remind them, and voters, of a certain Dallas billionaire. (NYT)

Quote/Unquote

Amy Weiss Tobe, communications director of the Democratic National Committee, objecting to any suggestion that contributors had paid their way into the Lincoln Bedroom of the White House: "It's simply an urban myth that people paid to stay in the Lincoln Bedroom. Did we reward supporters and contributors? Absolutely. But as we have said before, there were no price tags on events at the White House." (NYT)

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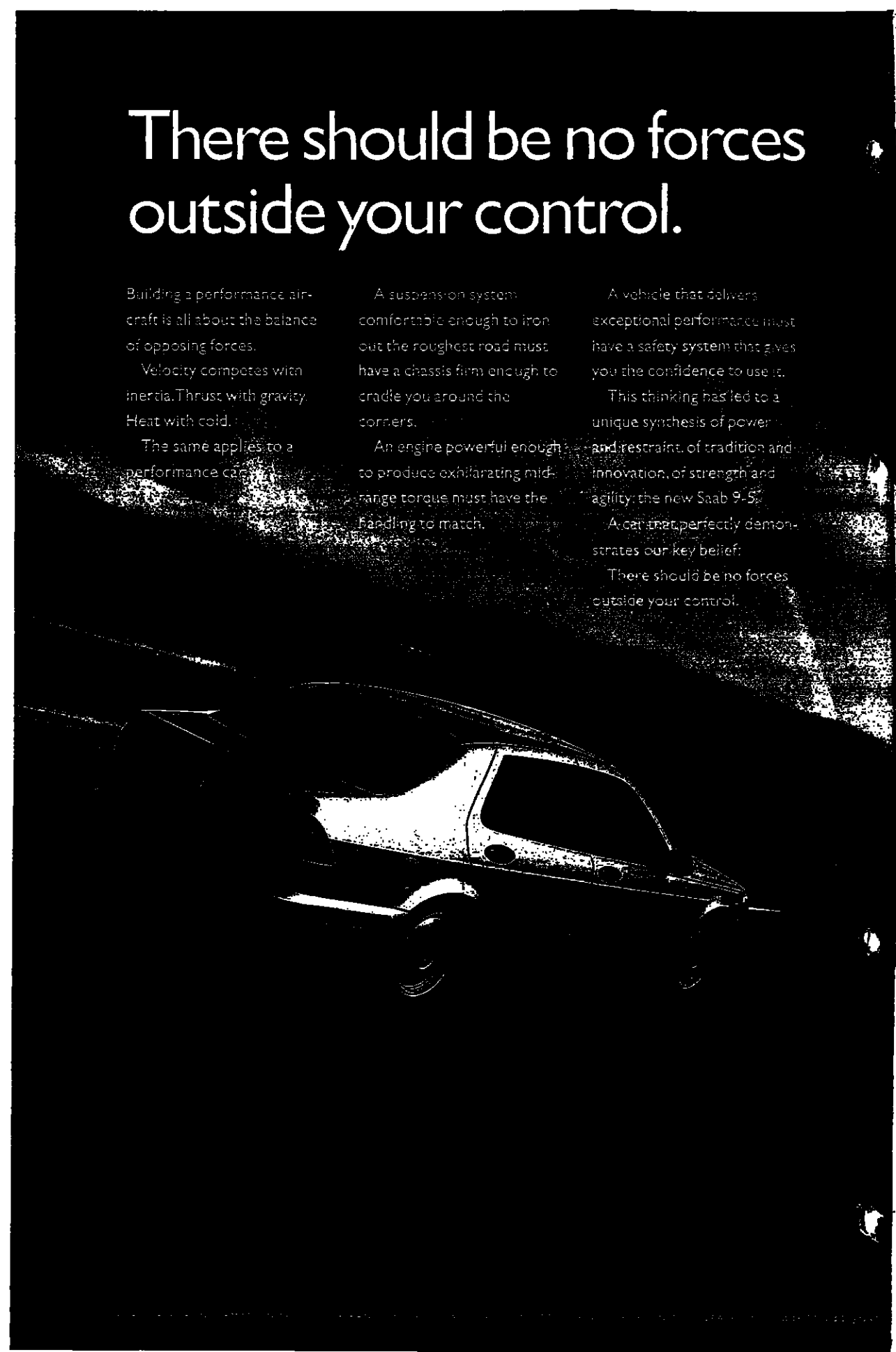
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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

LANGUAGE

It's Not Only the Men in Black: These Days If a Film Isn't Noir, It's Nowhere

By William Safire

WASHINGTON — Whatever happened to gloomy Gus, the downcast brother of Fred Opper's 1964 cartoon character, Happy Hooligan?

On the comics pages, that pioneering symbol of misery and despair was succeeded, in a falling way, by George Baker's Sad Sack and later in "L.I. Abner" by Al Capp's bleakly unpronounceable Joe Blitsk, who was followed everywhere by a dark cloud.

But the Gloomy Guses have found a bright, new future. They are now the *outsiders, products, stars and critics of film noir*. These days, if a film isn't *noir*, it's nowhere.

In Canada last year, Butch Vig, of a musical group depressingly named Garbage, told The Vancouver Sun: "We had Werner Herzog movies running in the studio all day, so we felt that *noir* ambience." About the same time in London, The Independent wrote that "Kim Brandstrup's *Are Dance Company* dances his ballet *noir*, 'Crime Fictions,' ... inspired by Raymond Chandler."

Chandler was a master of metaphor ("She was blond enough to make a bishop kick a hole through a stained-glass window") who competed with Dashiell Hammett and James M. Cain in the heyday of the hard-boiled detective novel. He wrote in Los Angeles in the '40s and '50s, a locale of sunshine and deep shadow recollected through a glass darkly as an era of *noir*.

The new movie set in that scene of crime, prostitution, glitz, and dreary fun, "L.A. Confidential," based on the 1990 book by James Ellroy, has occasioned a spate of citations of the French word for "black."

"Imagine a film set in the exotic past," wrote Richard Schickel in Time. "Los Angeles in the *noirish* '50s." Daily Variety called it "Warner Brothers' period *noir* thriller." Newsday's Jack Mathews called it "an often funny pulp *noir* that grabs you by the throat."

Where did the vogue use of this word — now surpassing *luminous*, *gritty*, *unsettling*, *riveting*, *stylish*, *steamy* and *resonant* in the ambience-chasing vocabulary of film criticism — have its origin?

The earliest use found so far of *film noir* in

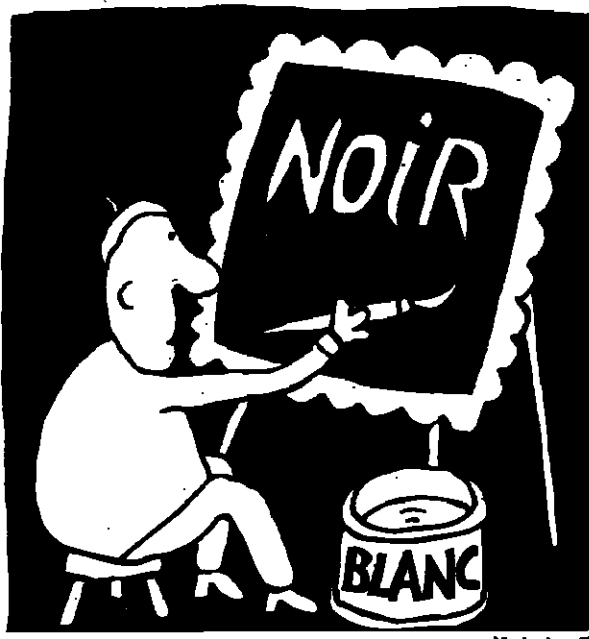


Illustration by Jeff

the OED is from a 1958 review in The Spectator about a play that "tries to be a parody of a film noir."

In the '70s, the French adjective appeared in *noir*, a disease that attacks grapevines, and in the plural *noirs*. Algerian refugees resettled by the French.

But the meaning of *noir* that took hold in the '80s departed from the color black to the metaphor of blackness, as in *black comedy*, amusement in morbidity that goes one step beyond mordant wit. (*Black comedy* has been updated to *comic noir*.)

Mark Kernis caught the new meaning in a 1978 Washington Post review of a Tom Waits recording: It is "the aural equivalent of a Raymond Chandler novel.... He draws scenes from dark alleys and pool halls, and the ambience he creates forms a type of *music noir*." A decade later, the New Yorker film critic Pauline Kael wrote of Kenneth Branagh's "Henry V": "He's trying to make it into an antiwar film, an *epic noir*." In 1986, the novelist James Robert Baker had a disk-jockey character say: "This is Scott Cochran, macho superstar, male feminist, and untreatable

schizophrenic. You're listening to *Radio Noir*." In the '90s, the French word took off. The Ellroy novel was blurbled as "not imitation *noir*, but *neo-noir*." The Thomas Berger retelling of the "Oresteia" was reviewed in The New York Times with: "His Clytemnestra is a classic nympho of the *noir* imagination."

What's the meaning of the new *noir*? One sense is "gloom inspired by fatalism," a characteristic of Chandler's private eye, Philip Marlowe: a more recent and less profound sense is "overtones of menace and criminality." That scary sense is embodied in *hardcore noir*, described by The Toronto Star as "the newly mainstream leather-fetish-consensual S/M lobby." (When did sadomasochism become mainstream? Is nothing kinky anymore?)

In the old days, the villains in the sagebrush epics were the *black hats*; now, thanks to the reviewing community, they are the stars of *cowboy noir*.

Reading the future is easy. We can trust the critics of the next generation to look back on our prosperous *fin-de-millennaire* period as a time of *blanc*.

New York Times Service

BOOKS

THE SPIRIT CATCHES YOU AND YOU FALL DOWN
A Hmong Child, Her American Doctors and the Collision of Two Cultures

By Anne Fadiman. 339 pages. \$24. Farrar, Straus & Giroux.

Reviewed by Richard Bernstein

IN the standard scenario of cultural collision, a Western rationalist — a missionary doctor, say, or an explorer — travels far away to a society of strange customs and tries to convert it to a different system of belief, with results that are sometimes comic, sometimes tragic.

There is, for example, the story of the American missionary in China who showed movies of grotesquely enlarged flies, trying to convince the local people of the need to exterminate them. The local response: The flies in America, as big as tigers, are terrifying and dangerous, but here in China the flies are very small and harmless.

In "The Spirit Catches You and You Fall Down," Anne Fadiman writes of a reverse situation, showing what can happen when the bearers of an animist, nonrationalist, nonscientific culture come to the United States and collide with local customs and assumptions. Fadiman, a free-lance writer who was recently named editor of the journal The American Scholar, describes the rich and absorbing case of a family of Hmong refugees in Merced, California. The family, whose surname is Lee, have a severely epileptic baby daughter, Lia. When the desperately sick baby is taken in hand by the system of Western medicine, two worlds of almost supreme incompatibility collide, with heart-wrenching consequences.

FADIMAN tells her story with a novelist's grace, playing the role of cultural broker, comprehending those who do not comprehend each other and perceiving what might have been done or said to make the outcome different. She has read widely in the anthropological literature on the Hmong, the mountain people of Laos who, having fought on the American side during the Vietnam War, ended up fleeing their homes when the war was lost.

The Lee family thought that their

daughter's epileptic seizures had been caused by spirits called dabs who had caught her and made her fall down. The cure for this condition, they believed, lay in animal sacrifices to persuade the spirit to give the soul back. When Merced's Western doctors, not realizing "that diseases are caused by fugitive souls and cured by jugged chickens," insisted on a complicated regimen of drugs to stop Lia's devastating seizures, the family balked at giving the medication. When Lia's seizures got worse, and she suffered irreparable brain damage, the doctors thought the Lees' noncompliance with their medical regime was responsible. The Lees believed that the doctors, by giving Lia too much medicine, had caused her to get worse.

As she tells this sad story, Fadiman emerges as a champion of the Hmong, a brave and independent people who have struggled for centuries to maintain their identity and way of life. She devotes chapters to Hmong history and the Hmong cosmology as well as the various difficulties the Hmong have encountered in settling in the United States. But Fadiman is not mawkish about them. She understands that Western medicine, though unadorned by the charm of a spirit-filled invisible world, is a more reliable way of curing disease than sacrificing pigs or chickens. Her argument is that a better understanding of the Hmong culture might have enabled the Western doctors to overcome the family's resistance to science and lead them toward a more cooperative attitude.

"Western medicine saves lives," Fadiman remembers being told by a Minnesota epidemiologist, and that fact pulls her back from the brink of a kind of anthropological sentimentality according to which all beliefs are equal. "I had to keep reminding myself of that," Fadiman continues. "It was all that cold linear, Cartesian, non-Hmong-like thinking which saved my father from colon cancer, saved my husband and me from infertility, and, if she had swallowed her anticonvulsants from the start, might have saved Lia from brain damage."

That is Fadiman's bedrock position, even if here and there her affection for the Hmong leads her to an excess of cultural relativism. She understands, for example, why the Merced doctors were

prone to see the Hmong taboo against most forms of treatment as "self-defeating ignorance," but she flirts with the idea that the Hmong view is not ignorance so much as another kind of knowledge. Lia's "life was ruined not by septic shock or noncompliant parents but by crosscultural misunderstanding," Fadiman concludes.

To be sure, misunderstanding hindered the cure and Fadiman's recommendation that we study other cultures makes sense. But her own evidence is that the Hmong's ignorance was the fundamental cause of Lia's fate.

The value of Fadiman's book is its clarity about just how vast is the difference between Hmong animism and Western science. Her story is a gripping and poignant one at the center of which is an exceedingly likable and honorable family, the Lees, whose love for their afflicted daughter is wondrously unconditional but whose superstitious world view maintains an iron grip on their minds. Surrounding them is a group of individuals — doctors and nurses, social workers and foster-care parents — all striving valiantly to help.

THE twisting and distressing tale of little Lia, her family and her doctors reminds us of how colossal the struggles of ordinary life can be. "You can't tell them that somebody is diabetic because their pancreas doesn't work," one doctor tells Fadiman, illustrating the magnitude of the gap between Western science and the Hmong world view. "They don't have a word for pancreas. They don't have an idea for pancreas."

And yet despite that seemingly unbridgeable gap, there was a commitment to Lia's well-being shared by everybody. The doctors showed it by admitting her to the local hospital 17 times even though her parents were too poor to pay a penny of the cost. The parents showed it by sleeping next to their sick daughter's side every night she was in the hospital and by treasuring her after she had been returned to them in a coma.

The shared sadness over Lia gave the two sides a narrow margin of common ground, although it was too narrow for the Hmong to understand what Lia's doctors were trying to do or to believe even that they were of good faith.

New York Times Service

BRIDGE

By Alan Truscott

A leading bridge journalist is now retired, but only slightly. Henry Francis banded over the reins to Brent Manley after 25 years as editor of The American Contract Bridge League Bulletin. But he is still working part-time. This month he will be vacationing up the Nile prior to the world championships in Tunisia, where he will be the Bulletin editor. Next month he will be editing the daily Bulletins at the Fall Nationals in St. Louis.

On the road he rarely has a chance to play, but at home he competes enthusiastically. On the diagrammed deal shown at

NORTH		WEST		EAST (D)		SOUTH	
♠	—	♠	5	♠	Q109432	♠	AKJ876
♥	K7532	♥	J98	♥	AQ8	♥	104
♦	K873	♦	AJ1084	♦	5	♦	Q92
♣	10973	♣	Q842	♣	J65	♣	AK

Both sides were vulnerable. The bidding:
East 2♣ South 3NT West 3♣ North 3♣
Pass Pass Pass Pass
West led the spade five.

left, he had a shock when his righthand opponent bid two spades. Francis ventured two no-trump, and played three no-trump after his partner tried to find a fit with a cue-bid of three spades.
After a spade lead to the queen and ace, he led a diamond. He won with the king when West played low. He led a heart and East put up the queen, then inadvertently helped South by returning the ten of spades.
Francis won with the jack and returned the eight, which lost to the nine. He could not count eight tricks, and after winning the club shift he played two more spade winners to reach the ending shown at right.

Francis won the club king and led the heart ten, playing low from the dummy. The defenders could give the last trick to South's diamond queen or dummy's heart king.

NORTH		WEST		EAST		SOUTH	
♠	—	♠	—	♠	—	♠	—
♥	K7	♥	—	♥	A8	♥	—
♦	—	♦	AJ	♦	—	♦	—
♣	109	♣	Q	♣	J6	♣	—

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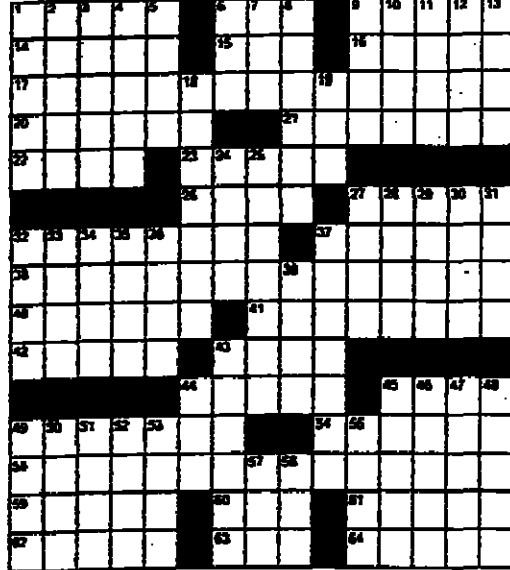
- 1 The Bee Gees' 1968 hit
2 Suburban
3 80's hit in Venice played
4 1960s hit by the Supremes
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- 1 Bit of Gothic architecture
2 False gods
3 Fathered, biblical-style
4 Hold responsible
5 F.D.R.'s mother
6 Comedienne, e.g.
7 Coal container
8 Nag, nag, nag
9 Vanquished
10 A single time
11 Imperfection
12 F.D.R.'s pouch
13 Uncircled
14 Former President's name
15 Toilet part
16 Popular brand of soap
17 Spent, for one
18 Look dejected
19 With 48-Down, former Israeli statesman
20 Border
21 Bog
22 Fader, e.g.
23 Suffer with thermo-

Part of the foot

- 34 Shoeshing
35 Boardwalk coolers
36 Where bulls and bears run, Abbr.
37 Mirror
38 Greeting to Hitler
39 Charity event
40 Post's period after dash
41 Cake part
42 Long-spouted can
43 University of Maine town
44 Strip of "Out of Africa"
45 Sea 28-Down
46 Japanese wrestling
47 Golf hazard
48 Jazz singer — James
49 To see, in Marseille
50 Overdue
51 Small post to criticize
52 J.F.K.'s predecessor



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Solution to Puzzle of Oct. 3



Figures as of close
of trading Friday, Oct. 3

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Continued on Page 11

Whomay in China Is Privatization and Companies Are Unprepared

European TV Screen

Internet's Data Cr

CURRENCY RATES

We spend millions of dollars a year to improve word-of-mouth technology.

France Telecom puts its capacity for innovation into action with one goal in mind: making the world a smaller place for our customers.

France Telecom invests over a billion dollars each year in research and development, most of which is done through CNET, a world leader in telecom studies and Europe's largest communications research center. Its prime objective is to provide customers with innovative

services and to improve France Telecom's performance through new network solutions. As an example, CNET was instrumental in developing Minitel, GSM and ATM.

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France Telecom

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Dismay in China Firms As Privatization Looms

State Companies Are Unprepared for Change

By Seth Faison
New York Times Service

SHANGHAI — Lu Yaquin cheerfully admits that, for a chairwoman of the board, she does not know much about business.

Miss Lu's position, running a company newly freed from government ownership, right in the heart of China's largest city, might seem an enviable spot for finding opportunity in the world's fastest-growing economy.

But Miss Lu, like so many managers in China who came of age under central planning, has more experience following Communist Party instructions than making business decisions. At her cramped, back-alley factory, where 159 workers make industrial sewing machines, she seems a bit perplexed in her search for new sources of income.

"The leadership is encouraging us to explore new solutions," said Miss Lu, a portly woman of 49, whose company has retained its Communist-era name, Shanghai No. 2 Textile Machinery Factory. "I thought maybe we should start a laundry delivery service. What do you think?"

The vast majority of China's 300,000 state-run enterprises are small, inefficient and now, under pressure to reform, grasping at almost anything for a way to stay alive. The business climate has become treacherously unstable, and many managers like Miss Lu are party operatives with little experience or understanding of business.

At the Communist Party congress last month in Beijing, the party approved a plan to shift the ownership of all but 3,000 or so enterprises away from the state, through mergers, public sale of shares or transferring control to management and workers.

The state press has hailed the move as a crucial step forward in China's economic reform.

The idea, in essence, is to shed the state's burden of money-losing businesses. While dismantling the last pillar of China's communist economy, leaders say they must stop paying huge subsidies to lagging enterprises that cannot compete with newer, private companies that are fueling China's swift economic growth.

The reality, as seen at a factory like

Miss Lu's, is a mishmash of good intentions, murky finances, political deal-making and "Chinese characteristics," as politicians here call phenomena they cannot easily explain. The outcome, though still up in the air, appears likely to be a messy mixture of state and private control.

Chinese officials hope that over the long run, releasing state companies into the free market will force a natural selection of viable businesses.

"We must have a system where the strong survive and the weak fail," said Wang Zhongyuan, minister of the state Economic and Trade Commission, during the party congress.

The grave risk is that unrest will erupt among workers, since more than 100 million jobs are at stake in the state-owned businesses that will be up for sale. Workers at many companies are suddenly finding themselves obliged to buy shares if they want to keep their jobs, and once government support disappears they could be left with nothing if their factories collapse.

An even greater concern, dramatized in small but ominous worker protests across the country in recent months, is the danger of corrupt factory managers who fail to pay workers and, taking advantage of the disorder as ownership is shifting, abscond with a company's assets.

For any enterprise, especially one in transition, choosing managers is clearly a critical issue. Theoretically, adopting a shareholding system means giving shareholders the right to select the company's directors.

The reality may not be so simple. In Miss Lu's factory, for instance, the same four leaders who ran the factory before it shifted from state ownership to a shareholding system last year were "elected" again at a first meeting of shareholders, with a new fifth member added.

"It was unanimous," Miss Lu said proudly. "It feels much better to be chosen by everyone than appointed by one or two people up above."

Miss Lu has been the factory's Communist Party secretary since 1973, when fanatical leftists were in charge and the main requirement for the job, as Miss Lu remembers it, was organizing and chanting political slogans of the



Lu Yaquin is one of many managers who plan to diversify.

Cultural Revolution. She became the factory's general manager in 1989.

Mirroring the kind of elections held at various levels of the Chinese government, voting at enterprises like Miss Lu's may sometimes offer a few genuine choices, but only within parameters that the relevant authorities have set. Miss Lu said as much when she described the process at her factory.

A few months before the directors were chosen, Miss Lu said she held staff meetings to talk about switching to a shareholding system. The workers were each asked to put up \$500, about triple the average monthly salary, for a

stake in the company.

Such a price is affordable, in part, because the country's savings rate is so high. Inexpensive housing still allows a typical urban worker to bank 40 percent of a salary, and in addition to China's cultural tradition of thrift, there are few investment choices better than a savings account.

"I bought because it's a good deal," said a 32-year-old machinist at the factory, keeping an eye on Miss Lu. "Everyone had a strong desire for the new system," Miss Lu said. "There were no objections. Everyone's thinking was in line with the leadership."

Richard Covington

As Dollar Vies With Yen, The Mark Pushes Ahead

Traders Say Politics Aid Japan's Currency

By Carl Gewirtz
International Herald Tribune

PARIS — The Deutsche mark and neighboring currencies closely linked to it are emerging as the big winners in the standoff between the dollar and the yen.

The yen, by all accounts, should be weak across the board. The Japanese economy is in a deflationary rut, the stock market is in a rut, and with domestic interest rates at historic lows and unlikely to rise soon, investment capital should be pouring out in search of higher returns than can be found at home.

Money does seem to be moving. The yen last week lost 1.26 percent against the mark, bringing its decline to 4.5 percent over the past 30 days. In sharp contrast, however, the dollar has been nearly immobile. It gained 0.3 percent against the yen last week and a mere 1 percent in the past month.

For Simon Crane, a London-based trading adviser, the yen's virtual stability against the dollar is nothing short of "remarkable," and he concludes that Japanese officials are "massaging" the rate. The only point on which analysts differ is whether the stability is the result of hidden intervention by some public body or of official advice to Japanese financial institutions not to buy dollars.

Analysts say the dollar/yen rate is too politicized, with neither the Japanese nor the Americans wanting to see a weak yen adding to the Japanese trade surplus or the U.S. trade deficit.

"There's fear of an official ambush," John Lipsky at Chase Manhattan Bank in New York said. Through either verbal exhortations or actual intervention, he said, Japanese officials will do all they can to keep the dollar from challenging the year's high of 127.50 yen set May 1.

Since mid-September, the dollar has drifted between a low of 119.20 yen and a high of 122.99 yen. It ended last week at 122.10 yen.

"The fundamentals point to a weakening yen," Mr. Lipsky said, "especially as we approach next spring's market deregulation, which will make it easier for individual investors to obtain foreign currency."

Gerard Lyons, London-based analyst at DKB International, the investment banking arm of one of Japan's largest banks, Dai-ichi Kangyo Ltd., concurs. Noting that "something has to give" in the absence of faster domestic growth, he forecast that the dollar would reach 125 yen by year-end and 133 yen by mid-1998.

For the same reasons, Ron Leven at J.P. Morgan & Co. in New York expects to see the dollar at 130 yen before the end of Japan's fiscal year March 31.

Meanwhile, the dollar is facing a shaky period against the mark. It skidded almost 1 percent Friday, to 1.7560 DM, although for the week it was virtually unchanged. News of slower-than-expected job creation in the U.S. employment report for September virtually wiped out expectations of a rise in U.S. interest rates this year. In addition, expectations still run high that German rates will rise.

Paul Chertkow at UBS Securities in London said the dollar could yet rebound, perhaps to 1.80 DM, before beginning a "cyclical decline" against "core" European currencies around the end of the year. By late next year, he sees the dollar at 1.70 DM.

But for Mr. Lipsky at Chase, "expectations of rising German interest rates are overstated." When it becomes clear that rates in Europe will not rise so quickly, he said, the dollar will keep trading in a range around 1.80 DM.

Braving Critics, Italy Sets Sale Of Stake in Telecom Concern

Compiled by Our Staff From Dispatches

ROME — The Italian government, shunning off political tensions, will put its remaining stake in Telecom Italia SpA on the market this month in the biggest operation of its kind in Europe.

Mario Draghi, director-general of the Treasury, said Rome would offer 32.8 percent of Telecom's ordinary shares to institutional and retail investors around the world. At current market prices, the privatization is worth about 16.5 trillion lire (\$9.49 billion).

"This will be the largest share offering carried out in Europe on the secondary market," Mr. Draghi said Saturday. He added that discussion over cutbacks in the 1998 budget within Prime Minister Romano Prodi's center-left coalition government, which many investors had speculated might derail the sale, would not affect the placement.

The Treasury said ordinary investors would be able to buy Telecom shares at a discount of 3 percent to market price. Telecom Italia employees will get a

discount of 4 percent, though they cannot buy more than 25 percent of the shares on offer, the Treasury said.

Telecom's share price dropped more than 5 percent in three days last week as investors sold out of the Milan bourse, worried that the Refounded Communist Party would carry out its threat to bring down the government.

On Friday, Telecom's shares closed at 10,860 lire, down 0.7 percent.

Mr. Draghi said the Treasury had discussed the situation with its privatization advisers and had decided to press ahead with the sell-off plans, but added that they would continue to monitor the situation.

"The state is going to withdraw from Telecom completely, so political events should not have an impact," he said. "Of course, if we should see a major collapse on the whole market," then the government would re-evaluate the sale.

In spite of the political problems, a Treasury official said there was strong demand for Telecom stock among institutions. (Reuters, Bloomberg)

European TV Scrambles in Rapidly Shifting Market

International Herald Tribune

CANNES — As the international television market here wound up, it was clear that European television was in greater flux than ever.

In Germany, a proposed partnership among Kirch Group, Bertelsmann GmbH and Deutsche Telekom for the delivery of digital programming is being vigorously challenged as a monopoly by government media authorities and public broadcasters.

Kirch and Bertelsmann have invested so much in buying programs and developing decoders that they have to

keep out free television broadcasters and preserve a monopoly," said Hans Hege, director of the media authority for Berlin and the Brandenburg region. Jan Mojto, managing director of Kirch Group.

CANNES MEDIA NOTEBOOK

countered that the proposed digital system would be "completely open."

Meanwhile, in Italy, authorities are moving to impose quotas on foreign programs and to require the country's main broadcasters, Silvio Berlusconi's Mediaset SpA and the public network

RAI, to devote more than 30 percent of their budgets to local production.

And in Spain, a bitter rivalry continues between two digital satellite providers over rights to Hollywood films and series.

Sogetel SA's Canal Satellite Digital, a partnership between the French pay-television network Canal Plus SA and the Spanish media concern Grupo Prisa, has signed up 125,000 subscribers and has commitments from Walt Disney Co., PolyGram Filmed Entertainment, DreamWorks SKG, Universal Pictures and Time Warner Inc. for studio films

and for television programs.

Russian broadcasters also were out in force at Mipcom, the media market that closed here last week, trying to convince Western investors that the country's media, tainted by corruption and piracy scandals, were on the road to reform.

"There's a giant question mark over Russia," said Harry Evans Sloan, chief executive officer of SBS Inc., a Luxembourg-based media company that is staying out of Russia for now.

Richard Covington

Internet's Data Growth Confronts Providers With a New 'Dinosaur Challenge'

By Paul Floren
International Herald Tribune

PARIS — When demand for digital lines led telephone companies to upgrade their connections to fiber optics almost a decade ago, they poured billions of dollars into the task, and those that could not make such an investment became the dinosaurs of the industry.

Now, telecommunications companies are facing a similar infrastructure challenge because of the Internet. Right now, traffic over phone lines is 99 percent voice traffic and 1 percent data. But in the next few years, data will overtake voice, according to industry analysts.

The thrust of investment will be to adapt the existing infrastructure. Some estimates say the Internet will grow from 30 million users in 1997 to an estimated 300 million by 2006 — and users are going to expect greater speed from the service

at the same time. As those customers start to use more data-hungry applications, including music and video, analysts say, the amount of information the lines must carry will leap to 100 megabits an hour from the 1.7 megabits now used in an Internet linkup.

Transporting large amounts of data is fundamentally different from doing so with analog, or voice, traffic because it is sent in "packets" from many different sources to a variety of destinations, all jumbled together on one telephone line.

To keep up, telecommunications companies will have to

CYBERSCAPE

spread their capital-improvement budgets all across the spectrum, from hardware and software to cable and engineering.

The amount of data that can be transported over a telephone network depends upon, for starters, the available bandwidth — fiber-optic cables are on the high end, and traditional copper cables are at the low — the processing power of the computers, and the quality of software that compresses and decompresses information. Some analysts question the ability of telephone companies to meet the demand, and they are already warning of service outages.

"In general, we probably have sufficient long-haul capacity for the next five years," said John Gantz, senior vice president

at International Data Consultants, an information-technology research company in Cambridge, Massachusetts. "Companies that upgrade their capacity will be able to differentiate themselves by avoiding outages during periods of growth."

Chris Earnshaw, managing director of the network and systems division at British Telecommunications PLC, said, "We are evolving structure to eliminate the possibility of these things."

BT and other leading telecommunications companies already upgrade their networks routinely, but Mr. Earnshaw said the difference now was that the pace was increasing at "an exponential rate."

In the past year, British Telecom has invested more than \$2 billion (\$3.22 billion) in its core networking system.

MCI Communications Corp. says its network is 100 percent digital; in other words, its equipment now allows the company to handle high-speed data traffic over its entire network.

Helen Pickens, a telecommunications-industry analyst with Dataquest Inc. in London, said this also was true of France Telecom. Carriers such as Deutsche Telekom that are

not yet at 100 percent, she said, "are quickly upgrading." MCI just last week began guaranteeing high-speed data services for large business customers that used its local networks.

Internet address: CyberScope@ihl.com

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CURRENCY RATES

Cross Rates	\$	£	DM	Yen	Oct. 3
Australian dollar	1.085	0.719	1.274	163.8	163.8
Canadian dollar	0.695	0.469	0.695	91.5	91.5
French franc	6.55	4.36	6.55	84.6	84.6
German mark	1.63	1.06	1.63	206.3	206.3
Italian lira	1,936	1,257	1,936	243.6	243.6
Japanese yen	108	70.9	108	13.7	13.7
Netherlands guilder	2.20	1.44	2.20	280.5	280.5
New Zealand dollar	1.25	0.81	1.25	159.3	159.3
Portuguese escudo	200	131	200	25.4	25.4
Spanish peseta	166.6	109	166.6	21.3	21.3
Swedish krona	8.46	5.56	8.46	107.5	107.5
Swiss franc	1.48	0.97	1.48	188.5	188.5
Taiwan dollar	35	23	35	44.3	44.3
Thai baht	55	36	55	70.3	70.3
UK pound	0.75	0.49	0.75	95.5	95.5
US dollar	1.00	0.65	1.00	127.5	127.5
Yen	136	89	136	173.6	173.6

Other Dollar Values	Per \$	Per \$	Per \$	Per \$
Argentine peso	0.0099	0.0065	0.0099	0.0065
Australian dollar	0.719	0.469	0.719	0.469
Canadian dollar	0.695	0.469	0.695	0.469
French franc	6.55	4.36	6.55	4.36
German mark	1.63	1.06	1.63	1.06
Italian lira	1,936	1,257	1,936	1,257
Japanese yen	108	70.9	108	70.9
Netherlands guilder	2.20	1.44	2.20	1.44
New Zealand dollar	1.25	0.81	1.25	0.81
Portuguese escudo	200	131	200	131
Spanish peseta	166.6	109	166.6	109
Swedish krona	8.46	5.56	8.46	5.56
Swiss franc	1.48	0.97	1.48	0.97
Taiwan dollar	35	23	35	23
Thai baht	55	36	55	36
UK pound	0.75	0.49	0.75	0.49
US dollar	1.00	0.65	1.00	0.65
Yen	136	89	136	89

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NOTICE

Notice is hereby given that an Extraordinary General Meeting of shareholders shall be held at the registered office on 16th October, 1997 at 10:00 a.m. for the purpose of considering the following agenda:

- To resolve on the liquidation of the Fund;
- To appoint a liquidator.

In order to deliberate validly on the items of the agenda, at least 50% of the shares issued must be represented at the meeting, and a decision in favour of the resolutions must be approved by shareholders holding at least 2/3 of the shares represented at the meeting.

Proxy forms are available at the Fund's registered office.

In order to be valid proxies duly executed by shareholders should be mailed to Banque Internationale à Luxembourg, att: Mrs. Muller, 69, route d'Esch, L-2953 Luxembourg no as to be received the business day preceding the Meeting at 5:00 p.m. at the latest.

By order of the Board of Directors.

ALFRED BERG NORDEN
Société d'Investissement à Capital Variable

Registered Office:
26, route d'Arion - L-1140 Luxembourg
R.C. Luxembourg B 26149

NOTICE OF EXTRAORDINARY GENERAL MEETING

An extraordinary meeting of shareholders of Alfred Berg Norden (the "Corporation") will be held at 11 a.m. on October 14, 1997 at the registered office of the Corporation, 26, route d'Arion, Luxembourg, with the following agenda:

To amend articles 5, 8, 16, 21, 23, 25 and 27 of the Articles of Incorporation mainly to change the reference currency of the Corporation from the United States Dollar to the Swedish Crown and amend certain valuation rules.

The full text of the proposed amendments is available at the registered office of the Corporation.

Shareholders are advised that a quorum of 50% of the shares outstanding is required and that the resolutions must be carried by a majority of 2/3 of the shares represented at the meeting.

If the quorum is not reached, it is expected that a further meeting will be convened at which no quorum will be required.

September 22, 1997 The Board of Directors

Holders of bearer shares wishing to attend the extraordinary general meeting have to deposit their shares, at least 24 hours before the meeting, with Swiss Bank Corporation (Luxembourg) Ltd., where proxy forms may be obtained.

CAPITAL MARKETS ON MONDAY

Bonds' Rally Gathers Momentum as Short-Sellers Surrender

By Carl Gewirtz
International Herald Tribune

PARIS—The third round of the world last week was the sound of skeptics discarding their hesitancy about how low interest rates could fall. In Japan, admittedly a special case given the gloom about a deflationary environment that appears to be worsening, desperation drove the yield on 10-year government paper down to a record low of 1.75 percent.

In the United States and Europe, the drop came from a different kind of desperation—that of short-sellers, speculators who had bet on falling prices and rising yields, throwing in the towel and racing to close positions and minimize losses in the face of continually rising prices and falling yields.

The latest data showing moderating growth in employment in the United States and still modestly expanding industrial output in Germany are driving analysts and investors to push still further into the future the next expected increase in

official interest rates. At their lowest level Friday, a day of hectic trading, 10-year U.S. Treasury notes were yielding 5.89 percent, a low for the year. But by the close, after a bout of Midwest tensions had sent spot and futures prices for oil to an eight-month high and fueled fears of inflation, the yield was back to 6 percent—unchanged for the day and down eight basis points, or 0.08 percentage point, on the week.

Although Germany's market was officially closed for a holiday Friday, its 10-year government bonds—Europe's benchmark issue—ended the week at a historic low of 5.39 percent.

The reaction to the surge in oil prices illustrated the fragility of the view that inflation is not a near-term threat in North America and Europe. But, assuming that the tensions between Iraq and Iraq do not lead to a disruption in the flow of oil, analysts say the momentum that is building will continue to drive bond prices up and yields down.

Still, it was not just short-sellers buying back borrowed bonds they had unwisely sold that drove

the market. In the United States, analysts note that such a decline in long-term rates, which are down a third of a percentage point so far this year, often prompts a surge in mortgage repayments—which obliges holders of mortgage-backed securities to move back into the Treasury market.

In addition, with the second half of Japan's fiscal year having started Wednesday, bankers reported sizable outflows from Japan in search of the higher yields of U.S. and European bonds. The outflow has had only a minimal impact on exchange rates, bankers said, because Japanese institutions are buying bonds with cash borrowed locally.

But on bond prices in general, even Steven Roach, an outspoken skeptic at Morgan Stanley, is giving ground.

"The bear is saying 'no,' but the momentum of the market is now screaming 'yes,'" he said. Against the background of low and falling benchmark yields, bankers report no letup in the demand for "spread product," or riskier paper that yields a hefty premium over benchmark levels,

particularly bonds from the so-called emerging markets in Latin America and Eastern Europe.

Thus, Argentina issued 350 billion lire (\$203.1 million) of seven-year notes whose coupon rate for the first two years is 350 basis points above comparably dated Italian government paper. In the final five years, which will coincide with the anticipated start of European monetary union, the annual coupon rate drops from 9 percent to 7 percent.

The dollar sector last week, meanwhile, saw the first corporate issues from Russia and the Commonwealth of Independent States. Mosenergo, a relatively debt-free Russian power company, sold \$200 million of five-year notes priced to yield 250 basis points over benchmark levels that ended the week trading at a spread of 238 basis points. Managers said the issue was five times oversubscribed and was distributed half to retail and institutional customers in Europe.

Tanet, an oil company owned by the Russian republic of Tatarstan, increased its five-year note

issue to \$300 million from the initially planned \$200 million and was twice oversubscribed at an offering spread of 310 basis points. It ended the week trading at a spread of 290 basis points. Distribution was identical to Mosenergo's.

In the equity-linked sector, Daewoo Corp. issued \$100 million of 10-year bonds carrying an annual coupon of 0.5 percent. In light of the financial turmoil gripping Southeast Asia, its feared spillover and South Korea's own financial problems, the bonds are convertible into the South Korean company's stock at a rate equal to the prevailing quote, 6,381 won (\$6.99), rather than the 10 percent to 15 percent premium to the current price that is traditional.

In addition, bondholders are offered protection against the stock price not appreciating and have the right to request redemption at the end of the fifth year at a premium of 39.83 percent over the issue price of par. Currently, this premium is equal to 125 basis points over U.S. Treasury notes, but what the premium will be worth in spread terms in five years is guesswork.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Oct. 3. Prices supplied by Telex.

Risk Name Cpn Maturity Price Yield

Australian Dollar

203 Australia 4% 11/15/96 104.8500 6.4400

British Pound

141 Abbey Natl TS 6% 08/10/99 97.2300 6.1400

136 Fin Rest Hous 8.359 09/30/95 143.5000 5.3500

Canadian Dollar

222 Canada 7% 04/01/97 110.7200 6.5300

Danish Krone

4 Denmark 7% 11/15/97 107.0000 6.5400

12 Denmark 8% 03/15/96 113.6800 7.0400

16 Denmark 8% 11/15/91 110.2200 7.2500

22 Denmark 8% 11/15/90 111.6800 6.8500

27 Denmark 7% 11/15/94 108.5000 6.7500

34 Denmark 6% 12/15/92 102.4500 6.5800

44 Denmark 6% 12/15/94 107.6500 6.5200

48 Denmark 8% 03/15/93 112.3700 7.1200

49 Denmark 8% 11/15/92 105.4000 6.5800

50 Denmark 8% 11/15/92 105.1100 6.5600

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Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Oct. 3. Prices supplied by Telex.

Risk Name Cpn Maturity Price Yield

Australian Dollar

203 Australia 4% 11/15/96 104.8500 6.4400

British Pound

141 Abbey Natl TS 6% 08/10/99 97.2300 6.1400

136 Fin Rest Hous 8.359 09/30/95 143.5000 5.3500

Canadian Dollar

222 Canada 7% 04/01/97 110.7200 6.5300

Danish Krone

4 Denmark 7% 11/15/97 107.0000 6.5400

12 Denmark 8% 03/15/96 113.6800 7.0400

16 Denmark 8% 11/15/91 110.2200 7.2500

22 Denmark 8% 11/15/90 111.6800 6.8500

27 Denmark 7% 11/15/94 108.5000 6.7500

34 Denmark 6% 12/15/92 102.4500 6.5800

44 Denmark 6% 12/15/94 107.6500 6.5200

48 Denmark 8% 03/15/93 112.3700 7.1200

49 Denmark 8% 11/15/92 105.4000 6.5800

50 Denmark 8% 11/15/92 105.1100 6.5600

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SHORT COVER

New York Times Service

Two weeks before she announced her departure, she was ranked as the No. 1 fund manager in the country by Barron's Financial

As the new managers took over, small stocks were in a deep slump—the fund lost 24 percent of its value from September 1996 through March of this year, compared with a decline of 0.3 percent in the Russell 2000 index of small-company stocks.

The picture is even bleaker for the top 10 funds overall in that year just before the stock market's 22.6 percent tumble on Oct. 19, 1987. Gold funds were the stars then, benefiting from inflation fears. The only nongold entry among the top 10, DFA United Kingdom Small Co., returned an average 4.2 percent a year over the past decade, far below the average American stock fund but better than any of the gold funds. Stock indexes have tripled over the past 10 years, while gold has fallen more than 25 percent.

gained 10.9 percent in the three months ended in September, compared with a gain of 7.5 percent, including reinvested dividends, for the S&P 500.

Combined with their 14.2 percent gain in the second quarter, domestic stock funds have put together their first back-to-back double-digit quarterly gains in more than a decade. Over the past 12 months, however, the average Amer-

The turnaround has come as smaller stocks, and the funds that specialize in them, have reasserted their dominance over blue-chip stocks and index funds. According to Morningstar Inc., the Chicago-based fund-tracking company, more than 80 percent of the funds that invest primarily in American stocks, many of them the shares of smaller companies, outpaced the Standard & Poor's index of 500 large stocks in the third quarter.

International stock funds managed a gain of 0.8 percent, on average, in the quarter, although diversified global funds gained nearly 5 percent. The former group's performance was dragged down by heavy losses among portfolios concentrated in Pacific Basin markets such as Thailand and Japan. Over the past year, international funds have fared much better, gaining 17.8 percent on average.

"There's really not a lot of difference in the fund since before Tim and I took over," Ms. Dugan said. "We had worked for three to four years as part of the team that managed the fund, and we have stuck with the process that has always worked — looking at companies that trade at a discount to their growth rate with accelerating earnings, low debt and good cash flow."

A shareholder of BT Small Cap who stayed put when Ms. Lisanti left the fund would have earned 18 percent over the past 12 months — nearly three times the 6.2 percent return during the same period for the Strong Small Cap fund that Ms. Lisanti took over in late August 1996.

At Strong, Ms. Lisanti said, "there's no question we had a bit of a rough start."

— and investors do not know how much is unpaid or whether Unified

Only a few companies report audited financial results; many report almost nothing at all. And many stocks trade so rarely that it can take weeks to buy or sell them.

The big debate is over whether Russia is still cheap after this leap in its stock prices. Many investors acknowledge that the easy money has already been made. But they disagree deeply on whether the market is poised for yet more growth. Russian companies are in a

Many Russian companies are very real — and huge. The money pouring into Russian stocks has come overwhelmingly from investment funds whose investors come from Wall Street, London, Hong Kong and elsewhere. While Russia remains too wild for most mutual funds or for institutional investors such as insurance companies, its sheer immensity has made it un-

boom here is curiously disconnected from the real economy. Most of the trading is between offshore hedge funds. Little money has actually flowed into the companies themselves because only a handful have raised capital by selling new shares.

So how surreal is investing in Russia? Consider Unified Energy System, the country's main electric utility and its most active stock. Its shares soared nearly 500 percent, from 7 cents to 40 cents, after the company reported a modest profit for last year on revenue of about \$1.7 billion. But that reported revenue includes several hundred million dollars in unpaid customer bills

Or consider AvtoVaz, which accounts for 70 percent of all car production in Russia. Despite tough import restrictions that protect it from competition, the company reported a loss of \$442 million for last year and owes \$500 million in back taxes. Its cars roll out of the factory with an average of 42 defects each and are widely loathed by Russian consumers.

But the stock has climbed tenfold, from \$1.60 to \$16 in the past year, because investors do not believe that the government will shut down the company.

SEOUL (Reuters) — Kia Group said Sunday it would not accept a recommendation by creditors to seek court receivership for its two carmaking units by a Monday deadline set by the creditors.

"There's no change in our stance," a spokesman for the conglomerate said. "We are still seeking special protection."

Kia Group applied last month for court protection from creditors for its flagship Kia Motors Corp. and 10 other units. Special court protection would allow the businesses to reschedule debts and keep their current managers. Kia's creditors are pressing for court receivership, which would result in the appointment of new managers.

ATHENS (Bloomberg) — Greece has approved the sale to investors of 20 percent of Public Petroleum Corp., the national petroleum-products company and refinery operator, to raise as much as \$285 million.

The stake in the company, known as DEP, would be sold to domestic and foreign investors, the government said, in its largest sale of state assets since the privatization of 12 percent of Hellenic Telecommunications Organization in June.

BOMBAY (Bloomberg) — The National Stock Exchange will be closed until Thursday because of the failure of the satellite that it uses for electronic trading.

The government told the exchange that the satellite, the INSAT-2D, had stopped transmitting data. It is expected to take until Thursday to switch the exchange's trading network to another satellite. Trading was disrupted Friday after many exchange members lost contact with the trading system.

* FRANKFURT (Reuters) — Edgar Meister, a Bundesbank council member, said Sunday that German inflation was going in the wrong direction and that the country's phase of low interest rates appeared to be over.

Mr. Meister said in a radio interview that the drop in Western German inflation to a 1.8 percent annual rate in September from 2.0 percent in August, based on preliminary figures, represented no change in the recent trend.

KUWAIT (Bloomberg) — The Association of Oil Unions of Kuwait threatened Sunday to call a full-scale strike by oil export terminal workers after talks with Kuwait National Petroleum Co. broke down.

"Today's talks were an absolute failure," said Sand Farhan, a spokesman for the union, which was holding a board meeting Sunday evening.

• Members of the governing Labor Party in New South Wales rejected a proposal to sell the state's electricity industry that could have generated as much as 25 billion Australian dollars (\$18.19 billion) for the state.

● **China plans to invest 60 billion yuan (\$7.22 billion) in an electricity-distribution network from the planned Three Gorges dam, an official newspaper said**

● **Malaysia** posted a trade surplus of 1.2 billion ringgit (\$355.9 million) in August, helped by a drop in the country's currency. The surplus followed deficits of 900 million ringgit in July and 2.8 billion ringgit June.

• **Continental Airlines Inc.'s pilots union have rejected the latest contract offer from the carrier.** *Bloomberg, AP, Reuters*

(Continued)

Buckeyes Shut Down The Potent Hawkeyes

Keldorf threw for a school-record 415

a new coach, Bob Davie — the school's longest losing streak since 1963.

Bobby Dollas, left, an Anaheim defender, firing a shot past Scott Walker of Vancouver on Sunday in Tokyo.

the third period to lead visiting Florida over Pittsburgh. The Panthers scored three goals in the last 2:29. Gagner tied the score 3-3 at 17:31. Lindsay's wrap-

the third period to lead visiting Florida over Pittsburgh. The Panthers scored three goals in the last 2:29. Gagner tied the score 3-3 at 17:31. Lindsay's wrap-

top form against Houston.

Football:
10 October,
Brazil v Morocco
The World Champions
continue their preparation
to defend their crown



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Tennis:
7-12 October, LIVE
The CA Trophy, Vic
Yevgeny Kafelnikov is the favourite to win the trophy which includes Becker, Kuerten, Rusedski, Hingis and Philippoussis

Football:
10 October, Morocco
Brazil v Morocco
The World Champions continue their preparation to defend their crown

WORLD ROUNDUP



Greg Rusedski celebrating Sunday to Mark Philippoussis.

Rusedski Blasts To Swiss Title

TENNIS Greg Rusedski won the battle of the big serves Sunday, blasting 22 aces past Mark Philippoussis on the way to a straight-sets victory in the men's singles final at the Swiss indoor championships in Basel.

Rusedski, a Briton, pounded out a 6-3, 7-6 (8-6), 7-6 (7-3) victory over the 20-year-old Australian to collect his second tournament title of the season.

In the fourth game, Philippoussis dropped his service for the first time in the tournament. He was out-aced 22 to 9.

"What can you do when someone is serving like that?" asked Philippoussis.

Rusedski, the first British player to crack the top 10, will rise into the top five in the world rankings Monday.

Jim Courier beat Sweden's Magnus Gustafsson in three sets to win the final of the China Open in Beijing. Courier won 7-6, 3-6, 6-3 in a match slugged out from the baselines.

Langer Wins Home Title

GOLF Germany's Bernhard Langer shot a final-round, 2-under-par 70 to win the German Masters for the third time.

Langer, who shot a course record 60 on Saturday, finished at 267, 21 under par and six strokes clear of Colin Montgomerie.

Langer's 60 matched the lowest round ever shot on the PGA European Tour.

Lewis Stops Golota

BOXING Lennox Lewis stopped Andrew Golota with a brutal knockout 1:35 into the first round Saturday night to defend his World Boxing Council title at the Atlanta Convention Center.

Lewis improved to 32-1 with 26 KO's. "I wanted to get rid of all of the misfits in the heavyweight world," said Lewis, who connected on 30 of 36 punches. "Golota was the last on my list."

From the opening bell, Lewis hit Golota at will. He used a variety of punches, with his first damaging blow being an overhand right.

It was the first time in his career that Golota had been knocked out. After the fight, he was taken to a local hospital on a stretcher and was expected to be kept overnight because of a panic attack, according to his trainer, Lou Duva. (LAT)

Howe Totters to Record

ICE HOCKEY Gordie Howe skated the first shift with the Detroit Vipers in their International Hockey League opener, becoming the only professional in his sport to compete in six decades.

The 69-year-old Hall of Fame player, wearing his familiar No. 9, did not touch the puck with his stick in his 47 seconds on ice. But a shot by teammate Brad Shaw hit Howe on the leg and deflected toward Jon Casey, the Kansas City Blades goaltender. Casey made the save. The game drew a capacity crowd of 20,182 to the Palace in Auburn Hills. (AP)

France Wins Fed Cup As Testud Stays Cool Women Join Men in Noah's Ark

Compiled by Our Staff From Dispatches
DEN BOSCH, Netherlands — France won the Fed Cup for the first time Sunday when Sandrine Testud fought back to beat Miriam Oremans to secure an unbeatable 3-1 lead.

Testud was outplayed in the first set but won 6-3, 6-3, 6-3. The French then won the final doubles for a 4-1 winning margin.

Yannick Noah, the nonplaying captain, won the title in his season outing as Fed Cup coach after guiding France's men's team to two Davis Cup titles.

Noah bounced up and down in celebration at court-side as Testud took advantage of her third match point to win the title.

"This is a great moment," Noah said. "It was difficult with such a fast court. I was a little scared in the fourth match. The Dutch really posed some difficult questions for us."

"He really pushed me to give my best," Testud said. "He always believed in me and that is what I needed."

The French led 2-0 after the singles Saturday.

But Brenda Schultz-McCarthy beat Mary Pierce, the world No. 8, 4-6, 6-3, 6-4, in the opening match Sunday to put the Netherlands back in the final.

Playing poised and controlled tennis, Pierce took the first set with a single service break in the ninth game.

But with the increasingly noisy 8,000-strong crowd lifting her, and her powerful service beginning to find its range, Schultz-McCarthy battled back to win a see-saw second set, 6-3, before wrapping up the match with a 6-4 final set.

"To be able to do it in front of this public makes this my best win of the year," she said.

Pierce, who was clearly unhappy with some line calls in the closing stages of the final set, hit a forehand marginally

wide on Schultz-McCarthy's second match point.

"It's difficult to accept that I did what I could and still lost but sometimes that happens when the other girl plays unbelievably well," Pierce said.

She said Schultz's booming serve had made it difficult for her to find her rhythm.

Pierce held breakpoints in the sixth and eighth games of the final set but saw them go to waste either through Schultz-McCarthy's thunderous serves or her own lackluster play on some crucial points.

She saved first match point in the 10th game but again wasted two breakpoints before succumbing on the second match point.

Oremans, ranked No. 50 in the world, made a flying start against Testud, ranked No. 14, taking the first set 6-0 in just 23 minutes.

Testud calmed herself and broke Oremans's serve at the start of the second set.

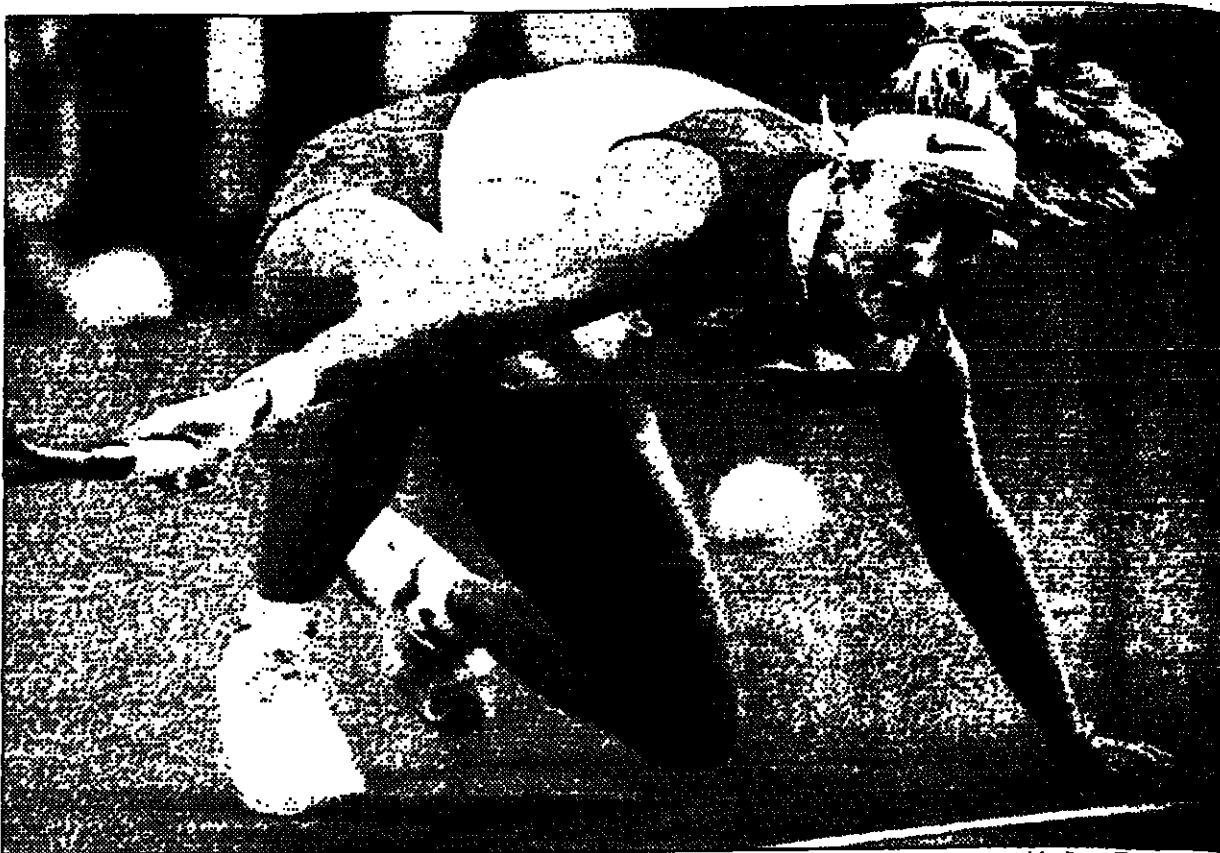
She kept her cool despite several disputed line calls in the eighth game and broke again for the set in the ninth.

Testud quickly carved out a 4-1 lead in the final set after saving two breakpoints by Oremans, who twice threw down her racket in disgust over missed opportunities.

Testud saved another Oremans break point in the seventh game and converted her third match point when Oremans hit a forehand into the net.

"We never expected to reach the final," Oremans said. "But once we reached it we wanted more so it was very disappointing to see the French win."

With victory assured, Nathalie Tauziat and Alexandra Fusai easily beat a Dutch pair, Manon Bollegraf and Caroline Vis, 6-3, 6-4, in the final doubles match.



Mary Pierce of France brought to her knees in her match against Brenda Schultz-McCarthy on Sunday.

Juventus Rallies Past Fiorentina, 2-1

Compiled by Our Staff From Dispatches
Filippo Inzaghi and Alessandro Del Piero, who are competing for starting spots on Italy's team for the crucial World Cup qualifier against England next weekend, scored three minutes apart Sunday to rally Juventus to a 2-1 victory over Fiorentina in Turin.

Juventus, the reigning Italian champion, trailed 1-0 after the goal by Luis Oliveria. Inzaghi tied the score in the 33rd minute and then set up Del Piero's winning shot three minutes later. Gabriel Batistuta failed to score for Fiorentina for the first time this season.

Juventus moved into a share of second place with Roma and Parma. Roma routed visiting Napoli, 6-2, as the Argentine striker Abel Balbo scored three times to raise his career

Mexico Helps Americans. Page 18

vision last year. SPAIN Oscar Garcia scored twice Sunday to give Barcelona a hard-fought 3-2 victory over Tenerife and a four-point lead in the first division.

Mallorca, in second place, tied at Compostela, 2-2, while Atletico Madrid jumped to sixth with a convincing 2-0 victory at Oviedo. Real Madrid was held 0-0 at home by Deportivo La Coruna and lies fourth.

After Barcelona fell behind 2-1 and the crowd booed coach, Louis van Gaal, Garcia tied the game before halftime and Luis Enrique won it in the second half. (AP, Reuters)

Mariners Stay Alive in Playoffs With 4-2 Victory in Baltimore

By Buster Olney
New York Times Service

BALTIMORE — Lou Piniella, the Seattle Mariners' manager, stepped through the back doors at Camden Yards, his team one defeat away from elimination.

"You make any plans for tomorrow?" he asked the attendant, John Grund.

Well, Grund said, wearing his black-and-orange vest, he intended to take the day off if the Orioles won Game 3 of the American League division series Saturday and completed a sweep.

"Don't make any plans," Piniella said, a twinkle in his eye.

Grund was back at work Sunday for Game 4, forced by Jeff Fassero's extraordinary 4-2 victory against Baltimore. Fassero lasted into the ninth inning, throwing 136 pitches and giving the Mar-

iners at least one more day of life in the playoffs.

Fassero threw a whopping 70 pitches in the first three innings but held the Orioles off through the middle innings as he tired.

No credible reinforcement was available from the notorious Seattle bullpen, which allowed 15 hits and 10 runs in 8½ innings in the first two games of the series. Fassero's pitch count mounted, beyond 100 in the sixth, approaching 130 in the eighth. He clung to a 2-0 lead through eight innings, having retired 18 straight batters, having thrown 132 pitches. But there was no action in the Seattle bullpen.

What occurred next, as the Mariners prepared to bat in the top of the ninth, infuriated Piniella.

The Baltimore reliever, Arthur Rhodes, who had pitched in the seventh and eighth, went to the mound to warm up for the ninth and immediately complained of soreness in his arm, pointing to his left biceps.

Davey Johnson, the Orioles' manager, called for Terry Mathews, a reliever who had been sitting in the bullpen.

Piniella stalked out of the dugout, convinced that

the Orioles were merely trying to delay the game and allow more time for Fassero's arm to stiffen as he sat on the bench, and Piniella yelled from a distance at Johnson.

"I don't know if the young man was hurt or not," Piniella said later, "but I thought it was a ploy to keep my pitcher sitting for an extra 10 or 15 minutes."

Johnson said, "I wish I was that smart."

If that was Johnson's strategy, it backfired when Mathews gave up back-to-back homers to Jay Buhner and Paul Sorrento, extending Seattle's lead to 4-0.

But when Fassero came out to pitch the bottom of the ninth, he walked Geronimo Berroa on four pitches and was too stiff to continue.

Headcoach Slocumb took over on the mound for Seattle, and Baltimore mounted a rally. Jeffrey Hammonds hit a two-run double, and pinch hitter Harold Baines came to the plate as the potential tying run. But Baines popped out, leaving Fassero to proclaim this was "the biggest day of my life so far."

One can only imagine what Piniella was thinking in the first inning, when the Orioles forced Fassero to throw a staggering 30 pitches — 15 of them after the second baseman Joey Cora batted a potential double play with a poor throw.

With two out in the second, Baltimore's shortstop Mike Bordick fouled off five two-strike pitches before drawing a walk. The Orioles had 14 two-strike foul balls in the first five innings, and Fassero's pitch count rocketed.

But the Orioles could not push any runs across. They loaded the bases with two outs in the first inning, before Fassero saved himself by stopping B.J. Surhoff's grounder with his right foot. They had runners at second and third and nobody out in the third, but got nothing.

Fassero got through the fifth inning with only seven pitches. Finally, a breather.

Fassero kept going into the ninth, insuring that John Grund and all the other Baltimore stadium workers would report for work again Sunday — hoping, like all Baltimore fans, for a day off Monday.

Fassero got through the fifth inning with only seven pitches. Finally, a breather.

Fassero kept going into the ninth, insuring that John Grund and all the other Baltimore stadium workers would report for work again Sunday — hoping, like all Baltimore fans, for a day off Monday.

O'Neill's Grand Slam Gives Yankees a 2-1 Edge

By Jack Curry
New York Times Service

CLEVELAND — Paul O'Neill shouted "Get out, get out!" and flailed his arms forward to try to nudge the ball over the center-field fence as he jogged toward first base.

He stayed focused on the ball that was about to become a grand slam, but it did not need extra guidance. It left Jacobs Field and put the Yankees one triumph away from the American League Championship Series.

O'Neill's slam came off the reliever Chad Ogea and made Charles Nagy feel queasy for loading the bases in the fourth inning on walks and leaving the mess for someone else to try and tidy up.

But Ogea could not find the broom because he could not find the proper pitch to throw to O'Neill. So the Yankees scampared to a 6-1 victory over the Indians in Game 3 of the division series in Cleveland.

Because David Wells held onto the cushion O'Neill provided, the Yanks took a 2-1 edge in the best of five series. Now the Yankees hope that Dwight Gooden can outduel Orel Hershiser in Game 4 on Sunday night and secure the series.

Even before his grand slam, O'Neill figured the defending champion Yankees would enjoy a sweet weekend in Cleveland.

"I think everybody packed for a week thinking that we're going to win here and then go on to Baltimore," O'Neill said before the game. "If you come here thinking you're going to lose, why even get in the playoffs? You get into the playoffs so you can get to the World Series and win the World Series."

O'Neill was confident before facing Nagy, who has performed like one of New York's batting practice pitchers this season, and his confidence was obviously well-founded since he also drove in a run with a single in the first

game. It was the most by a Yankee in the postseason since Thurman Munson delivered five in Game 5 of the 1978 World Series.

Nagy allowed two hits in 3½ innings, but four of the six Yankees he walked scored on a depressing but hardly surprising night for the right-hander. He was 0-2 and gave up 18 earned runs in nine innings to the Yankees in three starts this year. This time the Yankees only had four hits but won.

Unlike Nagy, Wells was sharp while limiting the Indians to one run and five hits in pitching a complete game. While he had only one strikeout, he allowed no walks.

O'Neill ripped New York's eighth grand slam in postseason history to climax an aggravating inning that will probably haunt the Indians.

After run-scoring singles from O'Neill in the first and Tino Martinez in the third, the Yanks led, 2-1, in the

fourth. Joe Girardi, who had walked, was on second with two outs as Nagy fell behind 2-0 to Tim Lincecum.

The Cleveland manager, Mike Hargrove, instructed Nagy to walk Raines. It was a curious decision. Raines was 14 for 32 lifetime against Nagy, but why did Hargrove want to put another runner on with a pitcher who had already been so erratic?

Nagy jumped ahead of Derek Jeter (3 for 12 off Nagy) with a 1-2 count, but threw three straight balls to walk him, fill the bases and begin to spoil the strategy.

Hargrove summoned Ogea, a right-hander who had retired O'Neill all five times he had opposed him in his career. Ogea mimicked Nagy by working the count to 3-2 before tossing a pitch that was chest high and down the middle. O'Neill slashed the ball and watched it sail toward center.

"I don't think anyone in here has lost any confidence that we can't win this series," O'Neill said.



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Figure 1: Domestic long distance calls with video service required to make 1-800 calls in U.S. (based on 1996 U.S. Census Bureau data). *Compared to current long distance charges based on calls in the U.S. in November 1996. Actual charges may be higher or lower depending upon your billing method, time of day, length of call, how charged by hotel and the country from which you are calling. **Public phone access points are available to the U.S. only. Country-to-country rates are the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the 1-800 toll-free number listed above. **Public phone access points are available to the U.S. only. Country-to-country rates are the cost of a call to the U.S. plus an additional charge based on the country you are calling. Call 1-800-99-0011 for more information. © 1997 AT&T Knowledge Ventures. All rights reserved.